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# FINANCIALTIMES

Reagan faces crucial test at polls, Page 19

No. 30,071

Thursday October 30 1986

**EUROPE'S BUSINESS NEWSPAPER** 

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#### World news

#### Yamani replaced as Japan rate Saudi Oil cut boost **Minister US** bonds

ter, according to the official govern-

Sheikh Yamani, has been a key figure in the world oil industry for many years and a leading force in the Organisation of Petroleum Exporting Countries (Opec). Mr Hilsham Nazer, Saudi Arabian Planning Minister, has been ap-pointed acting Oil Minister.

#### Aircraft Intercepted

Iraqi jets intercepted an aircraft carrying a special envoy of the Emir of Kuwait over Iran, forcing it to divert and land in the Soviet Union, an Iran name in the Soviet Union, an Iran newsagency said. The aircraft was flying from Damascus to Tehran carrying for-mer Kuwait Oil Minister Abdul

Rahman Salem al-Atiqi, aged 58.

#### African leaders meet

Leaders of the six Frontline states meeting after Mozambican President Samora Machel's funeral conemptuously dismissed a declar ation of war against Zimbabwe by right-wing rebels of the Mozam-bique Resistance Movement. Page 6

#### Sit-in at GM unit

Black employees at the General Motors plants in South Africa staged a sit-in over the US parent company's plans to withdraw. Their concern is about the lack of information on the change to local ownership, Page 6

#### West Berlin shooting

ity for shooting a leading West Ber-lin civil servant in what security ex-unchanged at 67.8. Page 33 perts said could be a disturbing development in political violence. Details, Page 3; Terror curbs, Page 20 in Zerich to \$406.55 from \$410.55 In December

#### Grenade on Airbus

A mid-air blast on a Thai Airbas COMPAGNIE. Generale d'Elecirt-which injured 62 people and forced cité (CGE), the nationalised French an emergency landing in Japan last electronics and engineering group, Sunday may have been caused by a is seeking to gain clear majority smuggled hand-grenade, investiga-tors said. Page 8 tors said. Page 6

#### Fraudster jalled

West German building group chief Horst Esch was jailed for 6½ years and fined DM 90,000 (\$45,000) at Koblenz for defrauding a Saudi Arabian shareholder of DM 190m.

#### Refugee camp clash

Rocket, mortar and machine-gun clashes erupted between Palestinian guerrillas and Shia militiamen at a refugee camp on the edge of

#### Craxi visits China

Bettino Craxi became the first Italian Prime Minister to pay an official visit to China. Page 2

#### French poor plan

The French Government launched a programme to ease the plight of the poor as more and more unemployed are losing their benefits.

#### Gibraltar status plan

Gibraltar's ruling party is to consider a proposal to turn the colony into a free state associated with Britain with increased local powers.

#### War crimes charge

Jean Leguay, 77, French police chief during the German occupa-tion in the Second World War, was charged with crimes against humanity for alleged deportation of

#### Jews from France. President's mishap

Swiss President Alphons Egirs car Zealand investment company went out of control and hit three which has been seeking a UK prop-parked cars when he left his Berne erty presence, has hid A\$78.5m office last night. He was hreath- (US\$50.7m) for Hanimex, the Sydtested at his own request and found

# Hopes for

Sheikh Yamani was last night replaced as Saudi Arabia's Oil Minis-reconsidering its determined stand reconsidering its determined stand against a discount rate cut, US band prices soared yesterday in busy trading. The resulting fall in US in-terest rates has come only shortly before the US Treasury begins a \$29bn auction of new securities

> Although Japan and West Germany have strenously resisted many months of US pressure to cut their interest rates, reports from Japan said the Bank of Japan is studying whether lower rates would help curb the high yen which has cut exports and boosted unemployment. Wall Street report, Page 49

WALL STREET: The Dow Jones industrial average closed up 6.33 at 1,851.80. Page 40

LONDON: Equities gained ground despite the continued technical difficulties at the exchange. The FT Ordinary index rose 11.6 to 1,287.2, and the broader based FT-SE 100 index advanced 13.4 to 1,597.0. Gilts eased. Page 46

TOKYO: The Nikkei market average rose 107.55 to 16,505.38 on volume of over 500m shares. Page 40

DOLLAR closed in New York at DM 2.0245, SFr 1.6720, FFr 6.6135 and 20245, SFr 1.6729, FFr 6.6135 and Y160.95. It fell in London to DM 2.0290 (DM 2.0330); FFr 6.0250 (FFr 6.6475); SFr 1.6745 (SFr 1.6765) but rose to Y160.45 (Y160.10). On Bank of England figures the dollar's in-dex was unchanged at 111.2. Page 33

STERLING closed in New York at \$1.4125. It fell in London to close at The Revolutionary Cells urban y228.50 (Y228.75); DM 2.8850 (DM guerrilla group claimed responsibiliant 2.8775); FFr 9.35 (FFr 9.4125). The

New York the Comex December settlement was \$407.50. Page 32

joint venture with IIT of the US even though this may increase the overall cost of the operation for the French group. Page 28; Background, Page 24

NWA, parent company of North-west Airlines, which earlier this month signed an agreement to buy up to 100 Airbus aircraft, boosted net earnings to \$59.7m. or \$2.32 a share, against \$39n. or \$1.55, for

the previous period. DAIMLER-BENZ, West German vehicle manufacturer which has been extending its other industrial activities, is expected to announce a rights issue shortly that will raise more than DM 520m (\$260m). Page 21; Brossels questions aid, Page 20

TANDEM COMPUTERS, Californis-based computer maker, reported significantly improved earnings for fiscal 1986 and the fourth fiscal quarter ending September 30 des-pite a generally weak US computer

market. Page Zl USX, hard-pressed steel and energy group which is the object of a take-over approach by New York financi-er Carl Icahn, unveiled apart of its defensive strategy and said a restructuring plan would be completed within the next few days. Page 21

FUITSU, a leading Japanese computer maker, reported pre-tax profits for the first half down 79.1 percent at Y7.19hn (\$45m) while sales at Y888.32hn were unchanged from the year-ago level. Page 22

SKF of Sweden, the world's leading manufacturer of roller bearings, reported a 4.8 per cent drop in profits to SKr 1.07bn (\$154.6m) for the nine months ending September. Page 24 CHASE CORPORATION, the New ney-based photographic group. Page 22

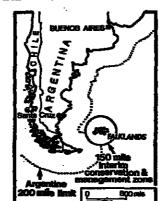
# UK to establish fisheries zone around Falklands

BY ROBERT MAUTHNER AND JIMMY BURNS IN LONDON

BRITAIN yesterday announced that it was unilaterally establishing a 150-mile fishing zone around the Falklands in a move that could lead to a flare-up of the dispute with Argentina over sovereignty over

Sir Geoffrey Howe, the Foreign Secretary, told the House of Com-mons that all vessels fishing within the area would need a licence from February 1, 1987, when the legisla-tion to be introduced by the Falk-land Islands Government would take effect. The Falkland Islands Govern-

ment would use its own two fisheries protection vessels and a surveill-ance aircraft to police the zone. But Sir Geoffrey made it clear that, if necessary, the UK Government would not hesitate to use British forces in the area "to deter Argantine aggression and maintain the integrity of the protection zone." Shortly after the announcement, Argentine President Alfonsin's chief spokesman denounced the measure as "a new act of provoca-tion." President Alfonsin called an immediate meeting with Mr Dante Caputo, the Foreign Minister, and defence chiefs to discuss the situa-



Mr Denis Healey, Labour's chief Japan, South Korea and Taiwan, foreign affairs spokesman, said that the Government was becoming embedded "still deeper in the quagmire of the Falkland's committee of the Falkland waters in 1986.

The new Falklands Interim Condefence chiefs to discuss the situa-tion.

The UK Government also came area as the existing Falkland under attack from a Labour Opposi
Islands Protection Zone, from

which all Argentine vessels are ex-cluded without prior permission.

Although the restrictive zone is not being extended, Sir Geoffrey made it clear that, under intern tional law, Britain could lay claim to a fisheries limit of 200 miles, subject to delimitation with Argentina. We are also confirming our rights to jurisdiction over the con-tinental shelf up to the limits pre-

scribed by the rules of international law." he said. The Foreign Secretary empha sised that the reason for the government's decision was the concern at the rapid increase in fishing in the south west Atlantic, with seri-

ous consequences for fish stocks in the area. tion foreign affairs spokesman Mr According to figures released by George Foulkes, who described the British Foreign Office, some 600 British move as "an extremely pro-vocative decision, which has Mrs Thatcher's fingerprints all over it." other Eastern European countries,

trawlers down to some 200 for the January to June 1987 fishing sea-

Sir Geoffrey stressed that the

Continued on Page 20

# Paris nears accord on frozen \$1bn loan to Iran

um enrichment consortium.

The funds have been blocked in the talks.

Paris since the subsequent Iranian revolution and have been at the have reached a broad outline of setcentre of bitter litigation between the two countries. The French anthorities claimed that the regime the Foreign Ministry indicated. De-which came to power after the fall tails of the financial settlement still of the Shah had reneged on Tehneed to be finalised, and no indicaran's commitment to join the contion of the amounts involved was sortium. The French Government given yesterday.

also sought compensation from Progress in the negotiations is reIran for the financial damage sufgarded as an important step forfered by several leading French companies following the revolution. However, the French Govern-

day that progress had been made in mentalists in Lebanon.

ward in France's efforts to normalabution ise relations with Tehran. This is seen in Paris as part of the general ment has sought a solution with French diplomatic effort to secure

FRANCE and from have made sub- from in an effort to normalise rela- the eventual release of the French reach a settlement of their financial been negotiating with the French respective over a 51bn loan advanced in 1974 as part of the Shah's efforts this week, and the French respectively was a separate to join the European urani-

The latest stage in the negotia-While the two countries appear to tions between Iran and Paris comes as the French Government continues to exert strenuous efforts to resolve its hostage problem in Leba non. At the same time, the Paris afternoon newspaper Le Monde claimed yesterday that the French authorities had obtained a truce from the Middle East terrorists suspected of being behind this au-tumn's terrorist bombings in Paris as a result of Syrian and Algerian

UK interests in Syria, Page 6

# est company in terms of market val-ue, on the basis of the fixing yester-day by the Japanese Government of a price for the sale of its shares. which capitalises the company at Y18,700bn. Even with the newly softer tone

record

Y18,700bn

By Carla Rapoport in Tokyo

Japan's communications utility stands to become the world's large

to the yen, this figure is equivalent to about \$117bm, eclipsing IBM, which at its peak earlier this year could barely attain \$100bm in market worth. The US computer giant is currently valued at some \$75bm. Following the sale and listing of the first tranche of NTT shares, the company is expected to account for about 6.5 per cent of the value of the

Tokyo stock market. The share price for Japan's first privatisation issue gives NTT shares an historic price/earnings ratio of 133, a stunning figure even when set against the high ratings of most Tokyo stocks. NTT's share price was determined by the Ministry of Finance following a limited tender offer of shares to institutions and individuals. The high price, according to ministry offi-cials, reflects the uniqueness of the

NTT offering. Tokyo stockbrokers, however said the high bidding in the tender offer reflected institutions' desire not to be left out of a stock which

would account for such a large part of the TSE's total capitalisation. Wealthy individuals, on the other hand, see NTT shares as a prestige Applications for NTT shares will be accepted by the Ministry of Fi-nance between November 17 and

26. Marketing activities by stockbrokers started last week but so far have attracted very little investor interest. A large variety of fixeign securities firms will be allowed to purchase shares in the first This tranche of 1.95m shares will account for about 12.5 per cent of

third tranche. So far. NTT has published only a five-page prospectus, in dull blackand white, with a one-page descrip-tion of past earnings. Stockbrokers, however, do not paint a much brighter picture of NTT's earnings potential. According to Jardine Fleming in Tokyo, NTT's sales are expected to grow at just 3 per cent per year over the next four years due to sluggish telephone sales.

# Flotation Olivetti and values AT&T sign 10-year deal

OLIVETTI, the Italian office equipment group, and American Tele-phone and Telegraph (AT&T) have renegotiated their three-year-old commercial and financial alliance and replaced it with a 10-year deal. The new alliance, according to Olivetti, will see the big US tele-A first tranche representing one communications group eventually eighth of NIT is to be sold to the Japanese public next month at personal computers and handing vi.197m (\$7,500) a share, a level over to Oliveth exclusive responsibility for this section of its business. The deal will also extend from

1988 to 1990 the period during which AT&T's equity stake in the Italian company may not rise above 25 per cent. In addition, Mr Vittorio Cassoni, head of Olivetti operations in North America and a former Olivetti

group marketing director, is to move to AT&T, where be will become senior vice president of the new data systems division. This move, which Mr Carlo De

Benedetti, Olivetti's chairman, yesterday hailed as "recognition of our experience," means that the new 10-year agreement will effectively see the US group deferring to Olivetti on marketing as well as on the de-sign and manufacture of its personal computer product line.

The Italian group's operations in the US, aside from its supply agreement with AT&T (largely in banking terminals and typewriters),

have made sizable losses in recent years and are being restructured.
While Olivetti's major strength is in the European market, it regards the US as a vital part of its future

international expansion.
This year Olivetti is shipping 170,000 personal computers to AT&T for sale in the US, bringing the total number of Olivetti models dispatched to AT&T since 1984 to 425,000, Olivetti's total 1986 PC production will come to 500,000 units.

Mr De Benedetti said he was pleased that Olivetti "will now be in charge of deciding which lines to produce for AT&T." He said Olivetti's M-24 model, sold by AT&T in the US as the PC-6300, was a success. The Olivetti chairman de scribed AT&T's own PC models, including the Unix 7300 built for AT&T by Convergent Technologies of California, as "flops." He said that under the the new deal the manufacturing for AT&T of PCs by Convergent Technologies "will be

The renegotiation of the two com-panies' relationship came about at the initiative of Olivetti, according to the Ivrea-based company. Mr Elserino Piol, group managing direct tor in charge of strategy, said the

Beaming in on harder chips, Page 12; CGE seeks control of ITT joint venture, Page 20 Continued on Page 20

## Nippon Steel plans cut in working hours

BY OUR TOKYO STAFF

back in the history of the Japanese scheme. steel industry.

The move underlines the growing

the yen, stagnant domestic demand NTT's shares. Foreigners are likely and growing competition from new nies steel producers. Long the symbol of Japan's economic transformation. the steel industry is now providing a symbol of how Japan's industrial

structure is changing.
Nippon Steel executives said yesterday that the reduction in working hours would initially range the figure could be more than 2.500.

NIPPON STEEL, Japan's largest The employees will receive about 70 steel company, is planning a sharp per cent of their full pay while they reduction in the working hours of are laid off, largely thanks to a govits employees, the first such cut-ernment employment insurance

Japan's leading companies have The move underlines the growing been making losses since the secritisis within Japan's steel industry, ond half of 1985. In the first six brought on by the appreciation of months of 1986, the losses stacked up by the five leading steel compatotalled about Y180bn (\$1.13bn). In addition to sh mestic demand, exports have dropped markedly. For the first nine months of this year, exports declined by 8.4 per cent in volume terms. Exports were down 34.8 per cent in value in September. Industry executives now expect

from several days to a month per that total crude steel production for employee. The company would not the year ending next March will divulge how many employees would drop to around 95m tonnes, against be affected, but it is understood that

Continued on Page 20

# London SE computers survive a full day but hitches persist

EMERGENCY MEASURES imple—whole system, again reached the mented oversight by London Stock theoretical limit of 200 a second.

day to criticisms about its failure to mented oversight by London Stock theoretical limit of 200 a second.

Quotations system (Seaq) was stretched to the limit, however, and several large market-makers reported problems in feeding information provided on Topic that even if there was an upsurge in the several large market-makers reported problems in feeding information provided on Topic that, even if there was an upsurge in turnover in securities which would lead to greater Topic usage, it would not be necessary to insert the securities of the central market would lead to greater Topic usage, it would not be necessary to insert the securities of the securities which is the securities of the securities which is the securities of the securities which is the securities of the securities of the securities which is the securities of the securities which is useful as the securities which is the securities which is useful as the securities which is the securities which is the securities which is useful as the securities which is the securities where the securities which is the securities w mation to the system. Warburg Securities, which uses

the Exchange's own market-maker terminals to input quotes and trades, said that in two sectors, stores and food, it had been impossible to input data for 60 minutes. The fault lay with the links into 130 links into Seaq. Requests for "pages" of informa-tion to Topic, the viewdata system whose lack of capacity is the chief reason for the instability of the

crease the computing capacity of

(government securities) mid-price cent.

service have first priority, while the prices from Nasdaq, the US electronic stock market, will not be exchange's new system is modelled, available until further notice. It was was running at only 500,000 rethe volume of Nasdaq prices which quests per day, according to exchange authorities are taking no changes of a repetition.

However, there was subsequently (government securities) mid-price

Exchange computer staff kept its central price and trading information system operating throughout day's emberrassing debut. The investerday, the first full day in which there have been no suspensions because of technical problems.

Topic services and said that the decision to increase the capacity of Topic to handle requests for information had to be made two years ago. At that stage Topic was operating at only 30 per cent of its capacity. ty.

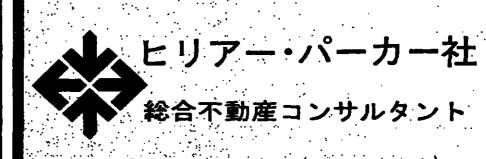
The exchange committee decided

Seaq information and the gilts crease capacity by more than 50 per

Seaq from the market-makers. Between 8.30am and 10.30am stock exchange staff had to repair 18 of the
ate the problem are being devised
ate the problem are being devised
and will be tested over the weekand end. If successful, they will be rose from 18 per cent in 1983 to over implemented for start of trading on 30 per cent, even before the halving

Monday.

of stamp duty and the cut in other



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Letters

# BUSINESS FORUM

Italy and the International Economy

ROME, 10 & 11 November 1986

This will be the fourth European Business Forum that the Financial Times has held in Rome. The agenda covers the economic outlook for Italy as well as a number of important European and Atlantic business issues. Speakers taking part include:

Giovanni AgnelliMaris	sa Bellisario
Carlo De BenedettiGu	ido CarliEdith Cresson
Romeo dalla Chiesa Ra	If Dahrendorf
Giovanni FranziDenis	HealeyMusa Hitam
Roger HornettThe Lor	d Roll of Ipsden
CJ van der Klugt Walte	er Mondale Mario Monti
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#### **EUROPEAN NEWS**

GONZALEZ STAMPS HIS AUTHORITY ON SPAIN'S PARAMILITARY POLICE

# Civilian to head Guardia Civil

THE APPOINTMENT tomorrow of a civilian to head the Guardia Civil, Spain's paramilitary police corps, marks a watershed. Few other political decisions in contemporary Spain have said so much about the grip that Socialist Premier Felipe Jonzalez has over the system and, by extension, about the consolidation of civilian rule.

Created in 1854 as a rural gen darmerie to put down banditry, the Guardia Civil has, despite its title, always been a fourth branch of the armed services and has always been commanded by an army general. Its officers pass out at the Zaragoza military academy.

With its patent leather tricorns the corps has been an unchanging symbol of authority on the Spanish landscape, revered by the status que and feared by all.

its subsequent division between commanders loyal to the republic forced.

and those who sided with General On Friday General Jose Antonio Pranco's insurgents made the Span-



At different stages in its history it war record but was persuaded inhas acted as the power broker in stead to tighten up still further its changes of regime. The Guardia military character under the con-Civil's decision to remain neutral in mand of a field general. The electoral confrontations between untouchable image of the Guardia Monarchists and Republicans at Civil, which is to a great extent a the start of the 1930s forced the abself-perpetuating corps for a high dication of King Alfonso XIII and proportion of its 60,000 men are

ish civil war inevitable. over his command of the Guardia Franco toyed with the idea of dis-banding it because of its dubious generalship, to a 43-year-old econo-

the last four years as a government rifice of the corps.

A year earlier the tricorn emblem the 150 mark. had flashed across television

It was characteristic of the new premier's caution and pragmatism that the heady plans for a major overhaul of the corps were quietly

It was characteristic of the new Bilbao judge who was investigating allegations of torture against that the heady plans for a major overhaul of the corps were quietly

mist, Mr Luis Roldan, who is a So-cialist Party stalwart and has spent sionalism and capacity for self-sac-

The Guardia Civil was mean while taking the brunt of the urban When Mr Gonzalez came to pow- guerrilla campaign launched by the er in 1982 to head the first left-wing Basque separatist organisation Eta. government in Spain since the The death of 17 guardsmen in Ma-1936-39 civil war he had every readrid this summer in two Eta car son for being wary of the Guardia bomb attacks put the corp's casualties from Basque violence beyond

In Mr Gonzalez and Mr Barrionescreens across the world when vo, the Guardia Civil found staunch Guardia Civil Colonel Antonio Tej- supporters. This emerged most ero stormed Parliament hoping to clearly in September when the gov-spark off a military coup against democracy. As opposition leader Mr outgoing Director General, Saenz Gonzalez had already called for the de Santamaria, to refuse permisdemilitarisation of the Guardia Civ-il. sion for 90 of his men to appear in an identification parade before a

shelved. Less predictable was the ernment's policy in winning the fact that the existing antipathy detrust of the Gnardia Civil is meaveloped into a close and open admi-sured by its ability to appoint Mr

Roldan to head it. The reforms of the Guardia Civil the metamorphosis the Socialists that will undoubtedly follow will underwent on reaching government come gradually in accordance with was made by Interior Minister Mr Mr Gonzalez's style of government. Jose Barrionnevo, who said that his Mr Roldan will be charged with cabinet post had allowed him to whittling down the overtly military "discover" the Guardia Civil. To the nature of the corps and with putting

#### Poland urged to invest in high technology industries

POLAND'S capital investment The promise of modernisaplans up until 1990 present little tion and economic restructurhope of closing the technological gap with the advanced countries and threaten the country's industry has been spending 47 future ability to service its \$32bn (£22.2bn) external debt.

The promise of modernisation and economic restructuring was no more than a slogan, that in recent years heavy industry has been spending 47 per cent of the funds available while its share under the draft plan is to rise to 48 per cent \$32bn (£22,2bn) external debt.

This warning comes from Mr Mieczyslaw Fracki, the managing director of Unitra Electron, a polish electronics manufacturer, and a Communist Party
Deputy in parliament.

The electrical and machinery sector, which includes engineering and high-technology, will fall from 26 per cent to 17 per cent, Mr Fracki said.

Defending the draft plan, Government officials pointed Speaking in a committee

to be approved by the end of the year, Mr Fracki demanded that spending plans be revised favour high-technology sectors at the expense of heavy in 1990 and is predicting industry, including energy and serious energy shortages in the coal mining.

plan is to rise to 49 per cent. The electrical and machinery

out that the energy and fuel debate on Tuesday on the draft sector investment plan had of the 1988-1990 Plan which is already been cut by almost half, while the mining ministry is warning that coal output will be 3m tonnes short of the 195m tonnes targeted for production

## Craxi to start China visit

BY JOHN WYLES IN ROME

MR BETTINO CRAXI will set Li Xianian, with the party another precedent today when secretary, Hu Yaobang, and he becomes the first Italian finally with Deng Xiaoping, Prima Minister in pay an China's leader. Prime Minister to pay an official visit to China.

The purpose of the brief trip, which will last until Sunday. is almost entirely political. The two governments are apparently keen to exchange views on a number of global issues while, in domestic Italian terms, the visit will consolidate Mr Craxi's image as an important figure on the world stage.

The Chinese are no doubt interested in getting to know Italy's longest serving post-war prime minister and the first Socialist to hold that office, before he is due to hand over to a Christian Democrat next

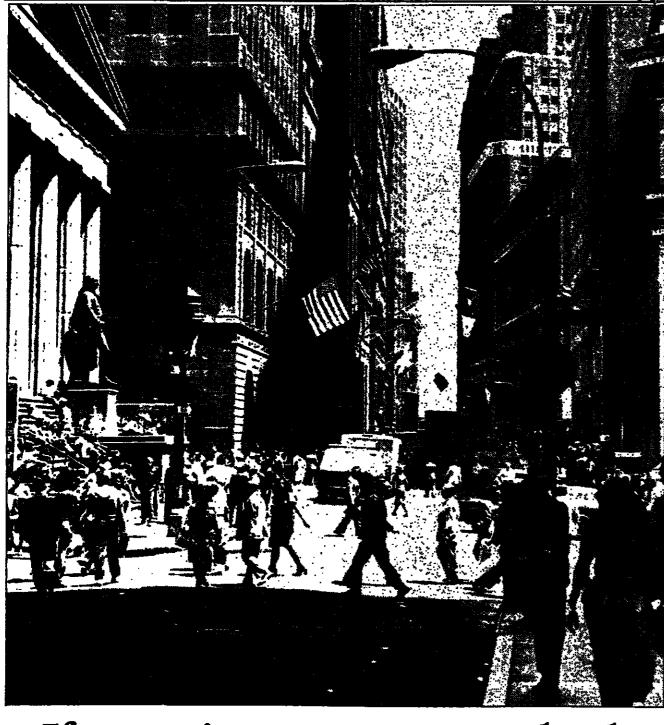
Accompanied by Mr Ginlio Andreotti, Foreign Minister, Mr Craxi will have talks with the Chinese Prime Minister, Zhao Zyiang, with the President,

naid

FRAGE SE

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# If countries can vary so much, why can't export credit in surance policies?

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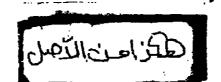
it's clearly prudent to do so.

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#### **EUROPEAN NEWS**

# Ireland could sever links with Libya over IRA backing

MR Peter Barry, the Irish Foreign Minister, said yesterday Dublin kesman said: "We share the Irish would have to consider cutting off Government's abhorrence of all diplomatic relations with Libya if those like Col Gadaffi who support Tripoli did not stop supporting the terrorism of any kind." Irish Republican Army.

He described as "appalling and outrageous" comments by Col Mu-ammar Gaddaffi in an Irish television interview in which the Libyan leader expressed support for the IRA and said the youth of Ireland should fight Britain's "colonial presence" in Northern Ireland

"We wish to have normal relations with the Libyan people but that is impossible as long as the leadership of Libya seeks to bring down the democratic institutions of this state," Mr Barry said in a statement. The "final step" of severing relations would have to be considered if support for the IRA did not

The minister said he was sending Ireland's ambassador in Rome, who is also accredited to Libya, to Tripoli for the third time this year to seek assurances on this. Ireland's main link with Libya is through meat exports which are worth about I £15m (\$20m) a year.

Industry and Commerce, suggesting it could have the prospect of attracting US investment to freland.

In London, a Foreign Office spo-kesman said: "We share the Irish Government's abhorrence of all

Col Gedaffi refused to say in the interview, conducted through an in-terpreter, whether Libya supplied money and arms to the IRA, but both British and Irish governments say it has. It is not clear what level of support is currently forthcoming. The strongest recent evidence came early this year when a rifle was found hidden on an sircraft at Dublin airport which had recently visited Libya and the words Libyan armed forces" were found on crates

further political stir in Dublin be-cause the Libyan leader said be supported Mr Charles Hanghey, the leader of the opposition Fianna Fail party, whom he considered a friend. Politicians from the main government party, Fine Geel, were quick to try to make capital of this, with Mr Michael Noonan, the Minister of

front for the general election on No-vember 23 and are likely to reduce

the Green's chances of winning a sizeable representation in parlia-Instead of a united common list of candidates through out Austria there will now be at least two groups competing for votes in the important electoral district of Vien-

na. The split between the majority "moderate" and a much smaller but very vocal radical faction has also seriously tarnished the Greens' image as a more tolerant and demo-cratic alternative to the big parties. The rows could not have cor a worse time. With less than four weeks to go before the election the ruling Socialist Party, which stands to lose most votes to the Greens, has been cheered by this unexpectof guns at an arms find near the Northern Ireland border. The Gadaffi interview caused a

ed bonns to its own campaign.

Ms Frieda Meissner-Blau, the Green candidate in last May's presidential election and the leading candidate on the moderate Green alternative list has no doubt that the rows will cost the Greens votes. "The only people that can stop

Norwegian

opposition falls

out over budget

NORWAY'S Labour Government

looks set to survive a parliamentary test of its 1987 budget after the three main opposition parties failed

to produce a joint budget alternative, Reuter reports from Osio.

Last-minute efforts by the Con-servative, Christian People's and

Centre parties to agree a common budget programme collapsed over

disagreement on tax and public spending cuts.

The breakdown defused earlier

opposition threats to topple Prime Minister Gro Harlem Brundtland's

Government in next week's budget vote and leaves Labour free to ne-

gotiate a parliamentary majority

"If Labour's economic policy is to e implemented, it is best done by be implemented, it is best done by Labour," Mr Rolf Presthus, Conser-

The three parties, which shared power in a Conservative-led right-centre coalition from 1983 until

May, have attacked Labour's budget as expansive, inflationary and ineffectual in dealing with Nor-

way's deepening economic prob-But Conservative pleas to sactice spending on extensive social welfare programmes for Norway's 4m

people and ease taxes to stim

vative Party Leader, said.

BITTER public disputes among Austria's Greens have ruined

months of efforts to form a united

the Greens from getting into parlia-ment are the Greens themselves. We are really throwing away our chances. If we had just agreed and done nothing else we could easily have won 15 seats, she says.

Socialist officials believe that despite the disputes the Greens will be represented in the federal partia-ment for the first time, but they now expect them to win only seven or eight seats – about half initial es-timates – in the 183-member parlia-

over the choice of leading candi-dates in Vienna. An unedifying slanging match followed as promi-nent Green activists traded insults and accused one another of undemocratic, fascist and totalitarian behavlour. Until then the Greens' standing

in the opinion polls had been steadily, although not only, at the Social-ists' expense. According to polls car-ried out just before the latest row the Greens could hope for up to 8 per cent of the vote. This would have ensured them between 15 and ahead of the small right-wing free-dom Party - the junior party in the

May 1983.

Patrick Blum in Vienna chronicles a bitter row which comes at a critical time for Austria's environmentalist party

Internal split blights Greens' election hopes

ty won just under 5 per cent of the been drawn up by the various vote and 12 seats in parliament. It Green groups, she said. vote and 12 seats in parliament. It is now fighting desperately to maintain its position following sharp internal splits between liberal and nations escalated until the Vienna group decided to run its own list—the Grünalternativen Demokrative (GAL)—in the capital

Ms Meissner-Blau's campaign ~ an electoral alliance of the conser-vative Vereinigte Grünen Oester- To Ms Meissner-Blau's relief the varue Vereinigte Grünen Oesterreich (VGO) and of the majority of
the left-wing Alternative List (AL)—
is widely represented in Austria
and it commands the most support
among the Greens. Her supporters
are seeking to capitalise on her success in the presidential election
when she won a supportion 5.5 for a with the radical groups in Vienna
when she won a supportion 5.5 for a with the radical groups in Vienna when she won a surprising 5.5 per she may win additional votes from cent of the vote. They admit that the more conservative Greens as this has been made more difficult by the recent dispute.

as their leading candidate, replacing her and several other moderate candidates with some of their own more radical members. Ms Meiss-ner-Blau said that the meeting had been rigged and packed with ex-

Its decisions were unacceptable and hind some of the Greens' recent one of the main parties and the In that election the Freedom Par a breach of the agreement that had problems.

tischen liste (GAL) - in the capital

with the radical groups in Vienna she may win additional votes from well as from protest voters alienat-ed by the Vienna group's pro-nouncements about putting an end meeting of Greens in Vienna de-cided to abandon Ms Meissner-Blau selves to liberation magnification as their leading constitutions. the Third World.

In contrast Ms Meissner-Blau emphasised environmental issues and the defence of human and civil "grand coalition" between them - as It also makes them very difficult if rights when presenting her campaign platform earlier this week. war until 1986 - is strongly on the government

All the established parties, and also possible the Socialist Party foremost among them, stand to lose votes to the Greens and this is worrying them, she says. She estimates that out of 10 seats for the Greens six would probably come from the Socialists, two from the Conservative People's Party and two from the Freedom She is convinced that some of her

opponents have been manipulated.
"We have strong indications that all of this is quite intentional." She says that there are also indications that money is being put up to fi-nance new groups or individual candidates to split the Green vote. Much is at stake in the forthcoming election. The Socialist Party is making a last ditch effort to stay in power, and the conservative People's Party is desperate to get back

Their sample message appears to
be winning support from a small
but growing section of the electoin government after 16 years of op-rate who have grown tired of 16 position. With neither party expect-years of Socialist rule and remain position. With neither party expect-

Socialist-led government coalition treme elements that were unrepressions formed after the general election in entative of the Green movement. She attacked the established particles which she suspects of being being described in the control of the Green movement. Greens or the Freedom Party are

This makes what happens to the Greens and the Freedom Party – both of which are competing for an expected large number of protest votes - an important if unpredictable political factor.

While the Greens are focusing on environmental issues and calling for more direct democracy, the Freedom Party under its new nationalist leadership is making the defence of the "small man" against bureaucracy and privilege its main theme. Both the Freedom Party and the Greens share a strong dislike for the traditional consensus politics of the two big parties which they see as a source of widerspread corrup-

ed to win an overall majority a unimpressed by the People's Party. was the case from the end of the not impossible partners for a future

#### Paris launches scheme to aid new poor

BY PAUL BETTS

THE FRENCH government over the age of 25 without work launched a new programme and without any source of yesterday to ease the plight of revenue.

This includes the absence of ployed people losing their

This has led to a phenomenon known in France as "the new poor" who have become a major social challenge for the authorities.

country has been facing an any form of salary, unemploy-increasing problem of unem-ment benefits, disability pensions and family allowances.
To qualify for the new
poverty allowance, an individual must have resided in a given department for at least two years. A foreigner domi-ciled in France can also apply for the new allowance if his

The measures approved by papers are in order.
the Cabinet of Prime Minister The local communities will Jacques Chirac yesterday, include the payment of a FFr ance for a period of six months 2,000 (£215) monthly allowance by local authorities for people time work.

#### Reykjavik still seen as useful, says Gorbachev

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BY PATRICK COCKBURN IN MOSCOW

side to develop new weapons up the package of nuclear arms would prevent a radical reduction in nuclear arsenals,
In a letter from Mr Gorbachev to a Finnish citizens'
organisation published in the
lead-up to the meeting between

MR MIRHAII; GORBACHEV, Societ Fereign Minister, and the Soviet leader, said yester the Cobige Shultz, his US day that header, said yester the Cobige Shultz, his US day that header materials week, the Soviet leader underwith President Reagan as use lined his total opposition to ful but the ability of either "Star Wars" and of breaking side to develop new weapons on methors of nuclear arms.

Union seems unclear about what steps to take next, and is still waiting for the dust to

#### Community steps forward on consumer protection

BY QUENTIN PEEL IN LUXEMBOURG

protection for consumers interest involved.
throughout the EEC involved in They also managed to agree hire purchase and credit trans-actions took a hesitant step for-

ward yesterday.

A handful of Consumer
Affairs Ministers meeting in
Luxembourg—only five of the
12 turned up—agreed that credit transactions must provide consumers with a calcula-

A PLAN to provide greater tion of the real annual rate of

on the size of transactions to

# Plan to clean up Danish seas

BY HILARY BARNES IN COPENHAGEN

The Government has been reported to be lifeless as a result ductions in pollution arising stampeded into action by of pollution.

The action plan is expected wastes.

The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery this to cost Kr bn-10bn over the The Government is proposing the discovery the The Government is proposing the Government is proposing the Government is proposing the Government is proposing the Government is pr

DENMARK'S Environment lobsters were the only catch. The main points in the plan Minister, Mr Christiansen, has which Danish fishermen found include more strigent standards. presented a seven-point antipollution "action plan" to save
the seas around the Danish

of Zealand. Several other areas
off the coast of Jutland are also

households, and substantial re-

spent on programmes already being implemente.

wastes.
The Government is proposing

autumn that increasing areas of next three year or four years, that the farmers should cut the coastal waterds are running out although this includes money use of artificial fertilisers by 100,000 tonnes to 280,000 tonnes a year by 1990.

#### able to its two former coalition part Norway, Europe's second-bigge producer after Britain, has been ecially hard hit by falling prices West Berlin shooting claim

THE Revolutionary Cells urban guerrilla group has claimed respon-sibility for shooting a West Berlin

Mr Harald Hollenberg, a senior civil servant in charge of processing applications for asylum in West Germany, was shot twice in the legs yesterday outside his home. The two assailants escaped. Mr Manfred Ganschow, State Se-

curity Chief, said he was taking se-riously a letter received by newsag-encies in which the Revolutionary Cells claimed responsibility.
The letter, bearing a crude star and the letters RZ (Revolutionary

Cells), described 54 year-old Mr Hollenberg as a man-lumter and The attack came just hours after the headquarters of Lufthansa, the

West German state airline was bombed in Cologne.

The Revolutionary Cells also claimed responsibility for this attack, citing Bonn's efforts to curb a flow of refugees into West Berlin, mainly from the Middle Rast.

The Revolutionary Cells lettered.

The Revolutionary Cells letter said foreigners in West Berlin were harassed by police and compared Hollenberg with Reinhard Hey-drich, the Nazi security chief who was assassinated in Czechoslovakia





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More companies

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the poison pills

Nancy Dunne in Washington on bipartisan attempts to undermine male domination of politics

# Women's movement takes to the campaign trail

IN A YEAR of impressive poli-tical firsts for American women, Miss Barbara Mikulski, the short, scrappy Democratic candidate for the Maryland Sen-ate seat has her eyes on the

The five-term Congresswoman has all but ignored the fiailing attacks by her opponent, Mrs Linda Chavez, a former Reagan White House aide, who accuses Miss Mikulski of being too liberal, too "anti-male" and of once sharing a home with a part-time staff member with "Marxist ideas."

With the election just five days away, Miss Mikulski seems well on her way to becoming the first woman from the Democratic Party elected to the Senite without having succeeded a

Maryland's race has drawn particular attention because it borders Washington, DC and it is a Republican Senate seat likely to go to a Democrat, But all over the country, women are making gains, particularly in the contests for state offices. The advances are being made despite the devastating loss in 1984 by Ms Geraldine Ferraro, the first women to run for vicepresident on a national ticket. In Nebraska, two women for the first time are facing each other in a gubernatorial race. The winner will become the eighth American woman gover-

A candidate for lieutenant crease in women holding top-governor in Massachusetts may level, appointed political jobs.

become the first woman to win state-wide office in that other-wise progressive state.

Women are also opponents in three Congressional races. Mrs Kathleen Kennedy Townsend, daughter of the late Senator Robert Kennedy, is the first fe-male Kennedy to try for elected office in a longshot House race against a popular Republican incumbent Mrs Helen Bentley. Six women are running for the Senate, where only two now hold seats. Nine are competing in gubernatorial races, com-pared with one in 1984. Sixty-three are in Congressional races, one less than two years ago, but more are expected to

than ever before, are competing tures, and three times as many

not only a growing number of women candidates, but an in-

of women appointed to state cabinet positions jumped from 64 to 129.

Feminists consider state-wide politicsal power vital to the passage of a constitutional amendment guaranteeing women equal rigths. To win ratification, 38, or three-quarters of the states, must agree on a Congressionallyapproved amendment.

The last equal rights amend-ment (the first was more than six decades ago), passed by Congress in 1972, fell four states short of passage. It is not by chance that after years of fighting a rearguard

action against conservatives, feminists are making impressive gains this year. Accordings to Ms Irene Natividad, head of the national women's political caucus, many of this year's can-didates are "our graduating

two decades, accumulating experience in local elections. Now they are using their exper-tise to mount strong bids for higher office. Their odds have cause they are keeping pace with men in raising funds. founding mothers" launched come-back campaigns this year. Ms Bella Abzug, the outspoken former Congress-

groomed by the movement's many organisations in the last



Gerardine Ferraro: trailblaz-

York city, is in a close race for the House. Ms Martha Griffiths, a former Democratic Congress-1984 election and \$450,000 this year. A non-partisan organisa-tion, it requires only that its



formed their own fundraising groups, including Ms Maureen Reagan, the daughter of the President and a candidate for co-chairman of the Republican

Both parties have worked to recruit women candidates with about equal success. Three Republican and three Demotion, it requires only that its cretic women survived in the recipients support federally Senatorial primaries. More funded daycare programmes, an equal rights amendment and in House races in the election that sight the second primaries.

Miss Celinda Lake of the women's campaign fund attri-buted much of this year's gains to the trailblating run of Ms Farraro, who demonstrated composure and gnit during her controversial candidacy. A national poll taken after the race found 27 per cent of the for a woman: whereas 7 per cent said they were less likely to de so. Ms Ferraro's campaign also brought an Arlimated 4.5m new vomen donors into politics, said

visible on the political scene, their gains must not be exaggerated. If they won all their elections next Tuesday, they could hold no more than 60. House seats of 435, nine of 50 grearnships or 5 pa of 100

of the National Organisation for Women (NOW), the largest feminist group, said at a press conference last week that the political progress, women are still fighting the notion that

MORE THAN a quarter of the in a court case last year. The top 500 US companies have loss of this legal action, launadopted potent anti-takeover ched against Household International, an Illinois company of frenetic acquisition activity on Wall Street, according to a to protect itself, triggered an study by a recently-launched shareholders' rights organisation of this anti-takeover tion. The anti-takeover measures, known as poison pills, are aimed at making takeovers prohibi-

The United Shareholders' The United Shareholders' Association (USA), a new body backed by Mr T. Boone Pickens, the Texas off billionaire who has made a considerable fortune through acquisitions, concludes in its report on poison pills that 131 of the large US corporations in Fortune magazine's 500 list now have these anti-takeover devices.

holders to acquire new stock at a deeply discounted rate. Since they were introduced about two years ago, poison pills have become the subject of In a letter to subscribers, he says that it is astounding that the executives of more than a intense controversy and have proved to be highly effective Many executives argue that the adoption of these antithe executives of more than a fourth of America's 500 largest industrial companies have purposely poisoned their bylaws in an effort to preserve their pay and perks. In virtually every instance, these poison pills were adopted by tenured executives without shareholder approval.

the adoption of these anti-takeover devices is justified by the present aggressiveness of corporate takeover experts—the so-called raiders—who have developed cophisticated new financing and legal techniques to attack established companies. Raiders, they say, are often interested only in a short term profit
Some institutions, academics
and takeover specialists, however, have attacked the pills on the grounds that they allow managements to entrench them-selves at the expense of share-

tively expensive to an acquiring company. They are designed to become effective when the pur-

chase has taken place, usually by triggering rights for share-

holders' interests.

Broad support for this opposition has come from the Securities and Exchange Com-

usa, which Mr Pickens is backing for a year with \$1.3m of is his own money, is now launching a campaign to persuade individual shareholders to submit proposals opposing poison pills at annual shareholders' meetings.

The USA moves coincide with a report by the SEC which says that shareholders are usually hurt by a decline in the value of their stock when take-

mission (SEC), the watchdog value of their stock when take-for the US securities industry, over bids are defeated by the which challenged poison pills use of poison pills.



MR JACQUES de Larosiere, managing director of the Inter-national Monetary Fund, yester-day called for faster economic growth by West Germany and

Japan to complement slower expansion in the US, Reuter reports from Washington.

He told the Southern Centre for International Studies in Atlanta that increased US exports would be possible only if domestic demand growth wis sustained at an adequate pace in countries with larger balance of parameter with larger balance of parameter surpluses. of payments surpluses.
West Germany and Japan are
the world's largest surplus
nations while the US has the
biggest trade and current
account deficits.

ing for economic stimulation only if it did not put the goals of durable growth and financial stability at risk,

through its plan to reduce its huge budget deficit, it could not do the job alone. Mr Larosiere said the re-sources released by a lower budget deficit would go toward

increased private expenditure and net exports, but markets for those exports had to be sus-

Turning to the Third World debt problem, Mr de Larosiere said what was needed was

Dubbed the Baker plan after Training Baker, the US Mr James Baker, the US
Treasury Secretary, the strategy
calls for commercial banks, the
IMF and the World Bank to genuine economic reforms rather than the piecemeal measures of recent

#### Life sentence urged for junta police chief

By Tim Coone in Buenos Aires
THE ARGENTINIAN state
prosecutor has demanded life
imprisonment for two former



Gen. Camps: accused of 286

from 18 to 25 years for five subordinates, including a police sergeant who is accused of torturing dezens

#### Venezuela sued by French bank over commercial debt

BY JOSEPH MANN IN CARACAS

A FRENCH bank has begun legal action in New York to recover \$30m owed by a subsidiary of a Venezuelan commercial bank taken over by the Government in June 1985.

Banque Furopeenne de Banque is one of several foreign banks owed the money by Sociedad Financeria de Comercio, which has been put into liiquidation

Sociedad Financera de Comercio on its affectively the owner of the failed bank — to take action on its action in the fact that local creditors have been angered by the fact that local creditors have been angered by the fact that local creditors have been paid as Banco de Comercio and its affectiates have been angered by the fact that local creditors have been paid as Banco de Comercio and its affectiates have been angered by the fact that local creditors have been paid as Banco de Comercio and its affectiates have been angered by the fact that local creditors have been paid as Banco de Comercio and its affectiates have been angered by the fact that local creditors have been paid as Banco de Comercio and its affectiates have been angered by the fact that local creditors have been paid as Banco de Comercio and its affectiates have been liquidated, but foreign financial institutions have not. The law-suit, which involves a syndicated loan made several years ago, is an effort to pressure the fact that local creditors have been paid as Banco de Comercio and its affectives have been angered by the fact that local creditors have been paid as Banco de Comercio and its affectives have been paid as Banco de Comercio and its affectives have been angered by the fact that local creditors have been and its affectives have

Sociedad Financiera de Comercio, its parent company, Banco de Comercio, and other afficiates were taken over by the administration of President Jaime Lusinchi in 1985 to save them from collapse. The Banco de Comercio group owes foreign banks an estimated \$250m Foreign banks have been

pressing the Government since last year for some commitment

been paid as Banco de Comercio and its afficilates have been liquidated, but foreign financial institutions have not. The law-suit, which involves a syndicated loan made several years ago, is an effort to pressure the Venezuelan Government — now effectively the owner of the failed bank — to take action on its foreign debt.

The action could complicate negotiations covering Venexuela's public sector debt restructuring agreement for \$21.2bn, and private sector foreign debt.

The Banco de Comercion and its affiliates was an important private banking group pushed last year for some commitment into insolvency by poor manage-to pay the debts of the Banco de Comercio group, but to no avail.



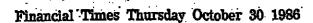
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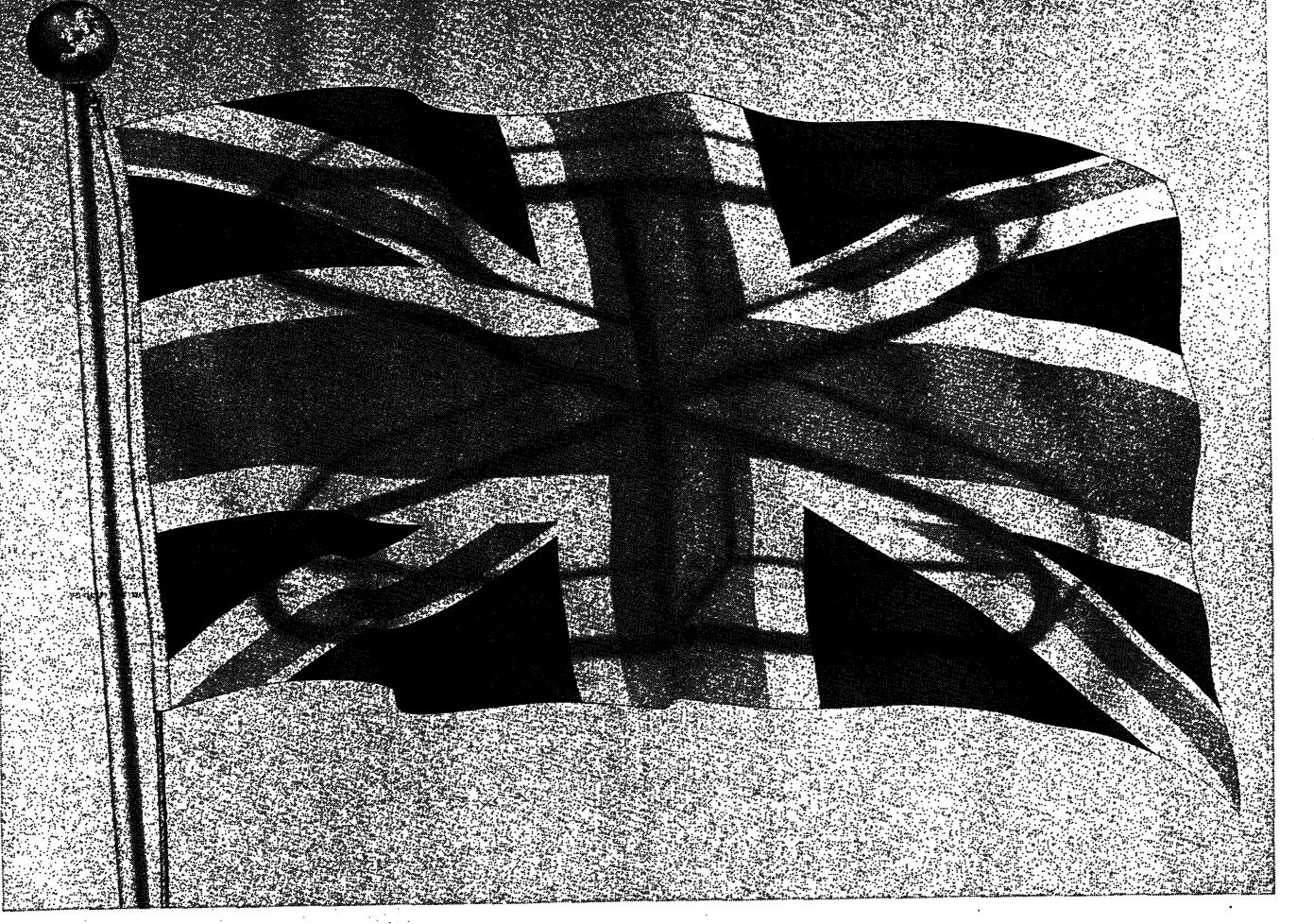
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TWO prominent figures in the Philippines Government yesterday distanced themselves fur-ther from the leadership of President Corazon Aquino, agencies report from Manila.

Mr Salvador Laurel, the Vice-President, put himself in direct opposition to Mrs Aquino by saying the people should be allowed to vote on whether they want Mrs Aquino and himself to remain in office, and Mr Juan Ponce Enrile, Defence Minister, whose differences with Mrs Aquino have been prominently displayed for months, refused to sit next to her at yesterday's

abinet meeting. Mr Laurel said in a speech to shipping agents that January's planned referendum January's planned referendum
on a new constitution, which
would give Mrs Aquino and
himself six years in power,
should also ask voters whether
new presidential elections
should be held.
Mrs Aquino's spokesmen

have consistently maintained that a positive vote on the constitution alone would be a vote of confidence in her leadership.
At a photo session before yesterday's Cabinet meeting.
Mrs Aquino noticed the chair next to her was vacant because of Mr Laurel's absence and offered it to Mr Enrile. He declined, saying: "No Ma'm, other people might say something." After the meeting, a spokes-man for Mrs Aquino said that whatever happened in Cabinet she would remain the "centre of political gravity in the Philippines." This was in reference to previous assertions by Mr Enrile that the Government was a coalition of equal partners who banded together to over-throw President Ferdinand Marcos in February and that it must be dissolved if any mem-

tion of his support for the new constitution itself and said his constitution itself and said his the new house car which the United Nationalist Democratic Party would decide on November 10 whether to support or oppose the charter. He attacked a presidential spokes-clared illegal and Mr Bob White, the managing director, said that

whether it would be right to conclude that he was breaking with Mrs Aquino, Mr Laurel said: "That's premature."

But Mr Laurel, who had filed his nomination for the presidency before agreeing to be Mrs Aquino's running mate in February, is known to be unhappy over many of her decisions and to feel ignored by the presidential palace.

NAAWU wants two of the new board's directors to be workers were to be, the union said.

In Johannesburg last week finalised. The company was being sold to a group of local involved in the purchase of the US parent would invest new money to refinance its wholly-owned loss-making South African subsidiary,

FRONT LINE STATES DISMISS THREAT BY REBELS

# MNR declares war on Zimbabwe

BY TONY HAWKINS IN HARARE AND VICTOR MALLETT IN MAPUTO

states confronting South Africa, meeting in Maputo yesterday, dismissed a declaration of war against Zimbabwe issued by right wing rebels of the Mozam-bique National Resistance

In Harare, however, the declaration was seen as signal-ling the intention of rebels to step up attacks on Zimbabwe's shortest route to the sea, known as the Beira Corridor.

The MNR, founded by white Rhodesia and subsequently supported by South Africa. made a formal declaration of war against Zimbabwe in a statement issued in Lisbon late on Tuesday night in the name of its leader, Afonso Dhlakama. The MNR threatened to

attack economic and military targets across the common border in retaliation for the renewed commitment made this week by Mr Robert Mugabe, Zimbabwe's Prime Minister, to "fight to the last man" to prevent a rebel takeover in Maputo.

At yesterday's meeting in only viable trade route to the Maputo, President Kenneth Kaunda of Zambia, chairman of the front line group, accused Pretoria of being behind the MNR challenge. "Their so called declaration of war is called declaration of war is carried by the currently has an estimated 8,000 why Zimbabwe has failed so far the negotiate a proposed export promotion programme with the World Bank and last week, Mr Bernard Chidzer, Finance Mingers is that Zimbabwe, which currently has an estimated 8,000 perfect is costing nearly really a question of his master's voice." said Dr Kaunda, speaking at a Press conference after



Zimbabwe are not new and last month MNR forces are thought to have crossed the border into Zimbabwe near Chipinge, south of Mutare, and attacked of Mutare, and Zimbabwean forces.

Much more substantial a consequence of an anti-Zimbabwe campaign by the MNR is the vulnerability to rebel attack of the Beira Corridor, the front line states only viable trade route to the sea should South Africa impose transport spatians on Zambia

Pretoria of being behind the MNR challenge. "Their so called declaration of war is really a question of his master's roote," said Dr Kaunda, speaking at a Press conference after the summit.

The widely held view in Harrie is that Zimbabwe, which currently has an estimated 8,000 to really a question of his master's roote, said Dr Kaunda, speaking at a Press conference after the summit.

The widely held view in Harrie is taken to reduce the deficit.

Defence is costing nearly to about 7.5 per cent of GDP, would have to step up its military commitment in order to protect the railway line, the where expenditure savings

road link and the vital oil could be made if defence

scepticism in business circles here about the ability of the port of Beira, rather than the port of beira, rather than the being to handle Zimbabwe's Economic problems notwith standing, if Zimbabwe does go standing, if Zimbabwe does go the port of the pert considerable operational and there are no bulk handling facilities suitable for about half Zimbabwe's export traffic consisting of steel, asbestos, ferro-chrome, sugar and maize.

But Mr Mugabe's weekend pledge to prevent an MNR takeover in Mozambique at any cost, implies that Zimbabwe is ready to step up its military effort against the rebels. This will further exacerbate an already strained budgetary position with a budget deficit of more than \$600m in 1986-87, estimated at close on 12 per cent of gross domestic product.

This large budget deficit is

This large budget deficit is reportedly one of the reasons why Zimbabwe has failed so far

expenditure savings judgment

appropriations are to increase further—as Mr Mugabe's com-

Lim tonnes of import traffic ahead with sanctions against annually. At present only 12 South Africa during the next ships call at Beira each month, month—as seems probable, the most of the cranes are not fully Government will be forced to step up its military and logistic support for Mozambique in order to try and reduce its vulnerability.

Diplomatic sources say it is becoming increasingly clear that the hardliners in Pretoria believe that Zimbabwe—as the most militant front line state— needs to be reminded of its vulnerability to South African reprisals. The MNR declaration of war has effectively widened the range of options that Pre

the range of options that Pretoria has at its disposal.
Yesterday's meeting of the front line states, held in the wake of the state funeral of President Samora Machel, was attended by the leaders of Zambia, Zimbabwe, Angola, Botswana and Tanzania.
The Mozambique delegation was led by Mr Marcelino dos Santos, one of the contenders for the presidenty.
President Kaunda said that some of the front line states were convinced that South Africa was responsible for the air crash in which Mr Machel died. But he acknowledged that Mozambique fixelf had reserved judgment.

# Strikes hit GM plants in S Africa

BY JIM JONES IN JOHANNESBURG

yesterday at two South African must be dissolved if any member withdrew.

In his speech, Mr Laurel said he wanted to clear up all doubts about his and Mrs Aquino's right to hold office.

He also left open the question of his support for the new constitution itself and said his the new Monza car which GM bad new Monza car which GM

man for suggesting that he should quit if he could not support the document.

Asked at a news conference whether it would be right to conclude that he was breaking with Mrs Aquino Mrs Louvel and amployed for CM Evapleurs.

Mr Louis Nel, the South African Deputy Minister for Information who oversaw the country's progressive clamp-down on the news media over the past year, will soon leave the Cabinet for an ambas-sadorial posting, according to newspaper reports quoted by Our Johannesburg Corres-

ment plans announced by GM 

About 35,000 striking black on Monday last week. Employees knew nothing more than they had read in the newsgold mines since Sunday, began

pondent. Mr Nel would yesterday neither confirm nor deny the reports. However, political analysts in Johannesburg said the expected move could herald wider Cabinet changes as senior politicians in the ruling National Party jeckey for position to succeed ageing President P. W. Botha.

Mr Nel would

pondent.

ployees knew nothing more than they had read in the newspapers and they had not been told who the company's new after receiving management promises to negotiate on grievances. The men went on the state of the kloof, Deelkraal grievances. The men went on strike as the Kloof, Deelkraal and Doornfontein mines after failing to receive wage increases, negotiated for men at other.

earlier refused to participate with four other mining houses in renewed pay talks and mediation procedures with the black National Union of Mineworkers (NUM). Those talks resulted in wage increases ranging from 19.5 per cent to 23.5 per cent, compared with the range of 15 per cent to 20 per cent GFSA was prepared to conceder.

When the strikes broke out, GFSA said that they were illegal and that it was only prepared to talk with the NUM once mining operations returned to normal. The NUM countered that though the strikes may have been technically illegal, union representatives had been prevented by mine managers from balloting miners on strike action.

and Doornfontein mines after falling to receive wage increases, negotiated for men at other mines.

The union also alleged that 18 men had been arrested by mine security personnel who had used tear gas and rubber the local arm of London-head-quartered Consolidated Gold had been needed because men had been intimidated

#### Australia may handle **UK** interests in Syria

By Tony Walker in Damascus

BRITAIN has asked Australia to represent British interests in Syria after it closes down its Damasons embassy on Friday. At the same time Lebanon agreed to handle Syrian affairs in Britain, according to an unidentified Lebanese foreign ministry fficial.

The moves follow Britain's decision to sever diplomatic relations with Syria following the conviction in a London court of Mr Nezar Hindawi, a Jordanian carrying a Syrian passport, who was convicted on charges of plotting to bliow up an Israeli El Al airliner. Embassy interest section

do not have a diplomatic status of their own. They are attached to a "protecting" embassy and are mainly conembassy and are manny con-cerned with visa applications. If Australia were to take over responsibility for British interests in Damascus, it would keep an eye on Britain's property in the Syrian capital. These include an embassy near the centre an embassy near the centre of the city and the ambassador's residence. The British official presence numbers about 50, including

Meanwhile, Syria has ex-pressed satisfaction at the in-conclusive results of the European Foreign Minister's meeting in Laxembourg earlier this week.

Sir Geoffrey Howe, Britain's Foreign Minister, had urged his EEC colleagues to take stiff measures against Syria, but they were unable to decide on co-ordinated action.

to decide on co-ordinated action.
Yesterday West Germany said that it was delaying a decision on replacing its outgoing ambassador to Syria, and examining whether members of the Syrian embassy in Bonn had supported ter-

Mr Friedbelm Ost, the Government spokesman, made the announcement at a news the announcement at a news conference following a meeting of the Benn Cabinet. He said West Germany's decision over a replacement for its outgoing ambassador to Damascus would hinge partly on the trial of Mr Ahmed Nawaf Mansur Hasi, a Palestinian charged with bombing the German-Arab Friendship the German-Arab Friendship Society in West Berlin last

West Berlin authorities west berim authorities have said they suspect Syria played a role in delivering explosives for the hlast, which injured seven people. Hasi is the brother of Mr Nezar Hindawi.

# Grenade 'caused Airbus blast'

BY CARLA RAPOPORT IN TOKYO

THE emergency landing of an Airbus A-300 in Osaka this week was caused by the accidental explosion of a hand dental explosion of a hand grenade, part of a guns shipment being smuggled into Japan from Manila by a group of Japanese gangsters, according to Japanese police reports yesterday.

The incident, involving a Thai Airways jet, injured 62 crew members and passengers, and prompted the immediate dispatch of Airbus officials to

dispatch of Airbus officials to Osaka, Any suspicion of equipment failure was ruled out, however, when Osaka police yesterday found tiny steel fragments near the torn rear pressure bulkhead. The pressure bulkhead separates the passenger cabin from the tail section.

section.

The fact that the Airbus jet landed safely after such an explosion prompted airline executives yesterday to commend the design of the A-300. Last August's crash of a Boeing 747 in Japan, which killed 520 people, also involved a break in the rear pressure bulkhead. In that accident, the break lead to the failure of all the aircraft's hydraulic systems aircraft's hydraulic systems which in turn blew off the tail of the plane. The cause of that break has yet to be determined.

mined.
In the case of the Airbus incident, two of the aircraft's to own guns. As a result, three hydraulic systems failed, but one kept working, allowing the plane to land safety.
Although Japan has a low rate of crime, it has an active gangster community which deals in prostitution, drugs and arms. Most of the gangs are concentrated in the Osaka and Manila and Osaka.

THE hijacking of a Pan Am jumbo jet last month appears to have been the work of a radical Palestinian group, and the four suspects are from Palestinian refugee

from Palestinian rerugee camps in Lebanon, a senior Pakistani Foreign Ministry official said yesterday, AP reports from Islamabad.

The spokesman, Speaking on condition he was not named, said the investigation showed that the September 5 bijacking of the Pan Am hijacking of the Pan. Am Boeing 747 in Karachi was planned and directed by a radical Palestinian group. But little progress had been made in identifying the group, and the spekesman was unable to provide any further information.

Kobe area in central Japan. Police officials said that numerous gun smuggling runs have been intercepted on this particular Thai Airways flight between Manila and Japan. The police theory is that the hand greade was unintentionally set off in or near the rear lavatory of the let.

Police are now questioning an Osaka man who was injured in the explosion. Private citi-zens in Japan are not allowed

#### S Korean police poised to rout student radicals

apparently preparing to storm home." But police refused to campus buildings and arrest meet the demand nearly 1,000 student radicals barracaded inside, Reuter reports from the Korean capital.

The students, who occupied to the protesters might be charged with breaking the tough National Security Law, the library and four other buildings at Konkuk University on Korean activities and carries a maximum persits of death Tuesday night after police maximum penalty of death.
broke up an anti-government The radicals shouted slogans rally, splashed petrol around the buildings and threatened to burn them down if the police called for the withdrawal of the burn them down if the police moved in.

moved in.

Police said state prosecutors ordered them on to the campus to detain all the protesters. A spokesman said formal charges would be brought against all these who led the occupation and Tuesday's demonstration at the east Seoul campus.

The students said they would security Law.

SOUTH KOREAN riot police and their sit in if the police were last night massing in the withdrew from the campus and grounds of a Seoul university, guaranteed their "safe return

BY ANDREW WHITLEY IN JERUSALEM

centrated on export promotion, the Industry and Trade Ministry announced this week that export growth would be the driving force behind its forecast of a substantial increase in industrial output

#### Israel to launch drive to increase exports

the end of the decade.

Excluding diamonds, whose performance relates more to world market than local conditions, the aim is to increase industrial exports from last year's \$5.6bn to \$9bn by 1990.

Responding to calls from industrialists for all available government finance to be concentrated on export promotion.

Israel's leading industrialists agree that the current low levels of investment pose the biggest medium-term threat to the country's economic well-being. Bureaucracy and punitive taxation policies are usually cited as the primary causes of this malaise.

Putting an official stemp on the desired

forecast of a substantial increase in industrial output.

A policy paper on objectives for industrial development said Israel should be aiming at an average annual growth in industrial output of 12 per cent during the second half of the decade, compared with 8.5 per cent in the first half.

Without identifying the likely sources of finance, the Industry and Trade Ministry states, however, that to achieve these ambitious goals growth invest-

THE ISRAELI Government is ment levels will have to rise by to launch a major export drive 50 per cent a year, compared aimed at increasing industrial with the weak performance of exports by over 60 per cent by the past five years.

Israel's leading industrialists

Putting an official stamp on the desired greater shift in production into sophisticated manufactured goods, the ministry said that by 1990 the metals and electronics sectors should have a 40 per cent share of industrial exports compared with 10 per cent in 1970. The ministry shrugs off the depression in world electronic

depression in world electronic and defence equipment markets, stating that the downturn should not have a significant lung term impact for Israel. But the emphasis will not only be on the more advanced high technology industries. Israeli textile exports, enjoying a surprising revival, should also remains strong.

#### Prison sentence for Singapore businessman

By Steven Butler in Singapore

MR PETER THAM, the former Pan-Electric Industries director, was yesterday sentenced to eight years in prison, following his guilty plea last week to 36 charges of forging share transfer forms and certificates.

Mr Tham still faces two charges of criminal breach of trust and six charges of abetting a criminal breach of trust involving deals with Pan-Electric and its subsidiaries. The collagse of Pan-Electric in late November last year prein late November last year pre-cipitated a major crisis on the Singapore stock exchange which led to a three-day closing of the exchange and eventually to the collapse of five of the exchange's 25 member-brokers. The forgeries for which Mr Tham was sentenced yesterday involved 1.8m of Ambassador Hotel shares. Mr Tham is the third person connected to the Pan-Electric

Mr Tham is the third person connected to the Pan-Electric debacle to receive a prison sentence. Others are Mr Tan Kok Liang, the Pan-Electric financial director, and Mr Tan Koon Swan, the Malaysian entreprenuer and politician

#### Lebanese militias regroup to oppose Arafat forces

LEFT-WING and pro-Syrian Beirut last year. militias announced yesterday Syria's Leb that a joint force was being decided to form formed to try to curb the grow-ing strength of the Palestine Liberation Organisation (PLO) in southern Lebanon, writes
AP from Beirut.
Sources close to Mr Walid
Jumblatt, the Druse leader, said

he was named commander of the deterrent force and that he instructed his lieutenants to militias.

Mr Jumblatt said yesterday that the return to Lebanon of Mr Yasir Arafat, chairman of the PLO, would "expose Lebanon and Syria to new Israeli military adventures, which we don't accept."

Creation of the new force

marked a shift of militia alliances prompted by the new
assertiveness of the PLO. Mr
Jumblatt's forces aided Mr
Arafat when other forces in Sidon and the port city of
attempted to drive the PLO out
of Palestinian refugee camps in return to south Lebanon."

Syria's Lebanese allies decided to form the new force during a meeting on Tuesday when they lined up behind Mr Nabih Berri, leader of the Shia Moslem Amai militia which has been fighting the Palestinian guerrillas. Mr Jumblatt said the size of

the force would be decided by the developments in southern Lebanon. He said it would also select 2,500 recruits from other be in charge of safeguarding Moslem and Lebanese left-wing militias.

Beirut to the southern city of Sidon and the rest of southern Lebanon.

"We are not in the process of occupying Sidon," Mr Jum-blatt said. "Amal has the right to send military reinforcements to the south."

A statement issued after a meeting of militia commanders at Mr Berri's heavily fortified house in West Beirut accused

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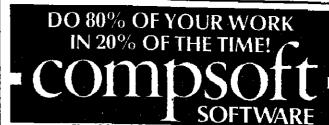
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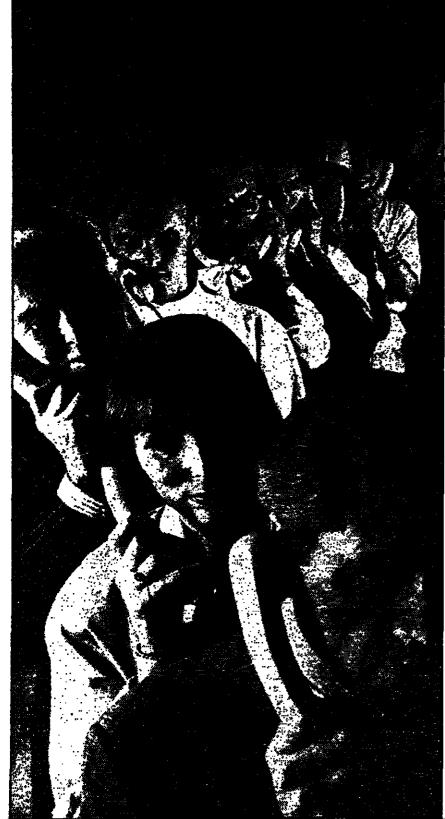
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#### Australia in review of fringe benefit tax By Chris Sherwell in Brisbane AUSTRALIA'S Labor Govern-

ment, bowing to complaints about the application of its controversial fringe benefits tax, yesterday amounced changes which will cut revenue from the measure by about 10

per cent.

The changes result from a review of what the Government has called "Unintended consequences" of the tax's application, But they seem unlikely to satisfy sections of the business community.

The tax is being levied on employers at the initial rate of 46 per cent of the value of

of 46 per cent of the value of benefits given to employees. It is aimed at perks like cars, housing and cheap loans. First collections were due around Under the changes employers will continue to pay the tax and there is little help for

mining companies or farmers over housing benefits.

Instead the reforms deal mostly with minor complaints, reducing the burden of keeping log books and exempting petty benefits like late-night

taxi expenses or car spaces at



# Why I think it's time for a new kind of advertising agency.

by Chris Martin

Sixteen years ago, Saatchi & Saatchi heralded its arrival with a Sunday Times advertisement.

In a nutshell, the ad claimed that much advertising spending was wasted and offered "hard-selling ads that would seize the public mind" as an alternative to the big agencies whose problems were pointed to by the flowering of the creative consultancies.

Now, of course, the famous brothers represent the 'mega' agency. They are no longer throwing the little wooden balls, but are themselves the coconut shy.

But I do not set out to knock Saatchi & Saatchi, where I myself was a founder member. I paraphrase their headline only to draw a comparison between the environment that agency grew up in and the atmosphere now.

Then, as Jeremy Sinclair rightly said, the problem was one of waste. The large agencies had grown up in an era when budgets were huge and advertisers comparatively few. They worked on the principle that given enough taps with the hammer, the nail would eventually be driven home.

During the 70's, the new creative agencies began to rain more imaginative, wittier and harder hitting blows upon the consumer. These agencies grew, merged with, and even took over some of the lumbering giants. So that now, clients who want visible, intrusive advertising have a fair number of options open to them. So why is it once again time for a new kind of agency?

First and foremost are the new conditions under which today's marketers are operating. Increasing competition, market segmentation and retailer power have resulted in a diminishing lifecycle for some products - no one can feel his

brand share is safe. The difficulties of predicting market conditions and the effects of government policy have never been greater. Perhaps most dangerous of all, investors and managers who take too short term a view can make entire businesses vulnerable.

In this climate, some advertisers are (and more should be) making new demands on agencies. More than ever they need an agency team that becomes part of the company team. Does the senior management of your agency spend enough time getting to know your business? Or do they promote themselves as much as their clients?

The modern client also needs greater continuity. And yet the never ending stream of takeovers and buyouts coupled with the scramble to cash in on the USM (which we are as suspicious of as most clients) mean that the advertising industry has never been more unstable or profit conscious at a time when clients need reliability, consistency and value for money more than ever before.

They want a group of people who are prepared to put the brand's fame and fortune before their own. With an ability to question and contribute without being superior. Who are willing to get involved in the practical problems and who understand that a delisting from a major multiple can shatter profitability.

Most important of all, they want access to senior creative people, not the false mystique and creative pique which has hitherto been common place.

None of this represents a magic formula or brilliant new innovation. It's simply a shift in attitude.

One that Edwards Martin Thornton took from the day

it started. The three partners (management, creative and media) had already worked together for ten years, a lifetime by agency standards, and from this solid foundation were able to build an agency specifically designed to meet the new demands of today.

An agency 100% owned by the partners which will certainly jealously guard its independence so it can control the pace of its growth. (Ours has been impressive but properly digested. Starting with no business 18 months ago, we now have twelve clients which bill £9M and include Bass, Singapore Airlines, Securicor, CBI, Jordans Cereals, Olivetti and Hyatt).

An agency where media will always be regarded as part of the creative solution.

An agency which rejects the creative xenophobia of those agencies who turn their noses up at advertising which crosses borders. Uniquely for a start-up, we have created a network of affiliates in seven European markets which has rapidly become a young resourceful alternative for the international client.

An agency which is ruthlessly straight in financial matters. Because if a clear, fair agreement is reached up front, there shouldn't be a need to look for extras.

An agency which is completely open in relationships inside and outside the company and which will never forget that its success depends upon the success of its clients.

Our intention is to build long term associations only with clients who will value our commitment and ideals. We won't appeal to everyone, but if you like the sound of us, call Bob Edwards, 01-631 0304.

If not, Saatchi's number is 01-636 5061.



By John Wyles in Rome

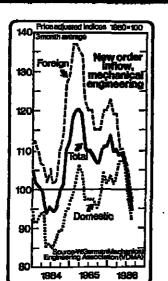
A CONSORTIUM headed by the Pirelli Group has won the first contract for supplying and lay-ing underwater fibre optical and telephone cable under Italian plans for renewing its

The L47bn (\$331m) contract also involves the French company, Submarcom, which is part of the CGE group, Sirti, the cable layer which belongs to the Italian state-group Iri and Fatme the Italian telephone equipment supplier.

The award to Societa Cavi Pirelli is an important step in the development of the Pirelli group's fibre-optic business. It has been encouraged by the Italian Government to develop a capacity in this key sector when it because apparent that when it became apparent that Italy had no contender for the Mediterranean and Global sub-marine telephone cable net-works planned for the 1990s.

The cable contract announced yesterday will be a 280 km link between Sardinia and the Italian mainland near Rome which should be completed by the middle of next year. Mr Antonio Gava, the Minis-ter of Posts and Telecommuniter of Posts and Telecommuni-cations, said yesterday that it was also envisaged that Palermo in Sicily would become a hub in the international network linking the east and west Medi-terranean with pan-European and trans-Atlantic fibre-optic

1985



# German engineering US sales growth falters UK arms

BY ANDREW FISHER IN FRANKFURT

West Germany's mechanical engineering industry has seen its exports to the US slow down sharply as a result of the dollar's plunge against the Deutsche Mark, and sales to its biggest market could even show a decline next

Mr Otto Schiele, president of VDMA, the industry asso-ciation, said that deliveries to the US in the first half of 1986 rose by 11 per cent compared with 24 per cent for the whole of last year.

This poorer growth had been continuing in the second half, "so that minus rates cannot be excluded for 1987." But he said the VDMA had been well aware that the soaring growth of recent years could not last. Exports by the industry to the US have grown by around 60 per cent since 1983 to just over DM 10bn (\$4.9bn) last year, still well below Japan's penetration.

He expected production by the industry next year to

grow at a much slower pace than the 6 per cent expected for 1986. New orders in September were down by a real 9 per cent, with foreign orders 12 per cent lower.

He was, however, confident about the long-term outlook, despite the latest decline in overall orders for the industry, which is Germany's biggest in terms of sales and employment. Companies were now investing more in new equipment, which led to higger sales and more jobs

for the engineering sector. For the first nine months, the picture is qually gloomy on the foreign side, with new orders down by a real 13 per cent. But bome orders edged up by I per cent, leaving the total inflow? per cent lower. Mr Schiele said much of the slowdown in domestic orders was caused by factories having to quote longer delivery times because they had plenty of work. The industry's total order backlog, up slightly this year, stretched 6; months ahead.

Thus far only Hungary has made any real effort to put

Comecon's complex programme of scientific and tech-

nical progress to the year 2000 which was adopted at the

special Comecon summit in Moscow last December spoke

of accelerating nuclear energy

But that was before the Chernobyl disaster. However it was evident even last December that the East Euro-

peans would not achieve their peans would not achieve their previous goal to generate 37,000 megawatts of nuclear electricity by 1990 — last year they pro-duced only 6,700 megawatts.

mean boosting capacity by some 40,000 megawatts which Western specialists doubt can

be achieved after the Chernobyl setback.

Exports, which account for

about two-thirds of total outabout two-thirds of total output, were a nominal 6 per cent higher in the first eight months at DM 63bn (\$30bn). But the latest drop in new foreign business had been caused not only by the dollar's collapse, but by the effect of lower oil prices on Opee countries' buying, the high indebtedness of countries such as Mexico, Brand Nigeria, and the consequences of the Chernobyl disaster in the Soviet Union for the nuclear industry.

#### **ECGD** backs Danish order for 24 ferries

BRITAIN'S Export Credit Guarantee Department (ECGD) is to provide guaran-tee cover for a 590m order for 24 Danish ferries won by producer and consumer prices on a cost basis. In most Come-con countries, Mr Berend, pointed out such reforms were still regarded warily. British Shipbuilders.

The guarantee disposes of fears raised by Danish ship-ping interests that the orders would fail through because of financial problems.

Mr Philip Hares, the chairman of BS, said the ECGD decision was "especially welcome in view of the efforts made by Dajah interests and others to cast doubt on the viability of the contracts when they were

Plant for US mine PWH, the West German engineering and plant-building company, has won a BM 160m (349m) order from Kennecott Corp of the US for a copper ore crushing and conveying system for the Bingham Canyon mine in Utah, Reuter reports from Cologne. The system for delivery in 1987 is due to be operational in early 1988.

# makers told to increase sales to US

Vie

By David Buchan

BRITISH ARMS sales to the US were now running at more than half the level of UK purchases of American weaponry, compared to the level of about a quarter 10 years ago, Lord Trefgarne, the UK minister for defence programment, said weaponry, and weaponry, an defence procurement, said yesterday.

He was addressing a joint session of the London Chamber of Commerce and the Defence Manufacturers Association.

Manufacturers Association.

Lord Trefgarne called for further efforts to sell the US defence products "which it cannot produce at the right quality and price". The US bought \$600m of UK arms last year, or about 25 per cent of the normal total of UK arms exports, excepting the multi-bullion pound. cluding the multi-billion pound Tornado jet sale to Saudi Arabia Speaking of the US-UK reci-

procal defence procurement accord. Lord Treigarne said that "it takes constant effort on the part of our government and those in the US government hospitable to the policy to relate the work—and occasionment hospitable to the policy to make it work—and occasionally it does not work." He cited various forms of regulation and bureaucratic delay that still shut UK out of US defence contracting.

UK defence companies needed to lobby more directly to the US and Lord Trefrarpe.

needed to lobby more directly in the US, and Lord Trefgarne stressed that they should take part in the unique Common Defence 1987 defence exhibition in Washington DC next October. This will exclude US defence contractors and include only companies from those countries with procurement accords with the US, such as Britain and its main Nato

Leslie Colitt reports on plans for the Soviet-led bloc before next week's annual meeting

# Comecon puts trust in direct company links

preneurship and workers collectives."

This broadside delivered by Mr Mikhail Gorbachev, the Soviet leaders, at the Soviet Communist Party Congress will be remembered when Comecon opens its annual summit meeting of prime ministers next Monday in Bucharest.

Last week, Soviet finance and trade specialists, who were meeting with their Hungarian counterparts, acknowledged for the first time that significant reforms were needed in Comecon, the Soviet-led trading bloc.

Such raforms, however, can service which companies which few view that direct links between companies which few view that direct links between companies would work Garbachev wants.

The magic formula this year independent," and there would have to be "real concurrency. In short, he concluded that such ties would only make sense if the "whole e c o n o m i c system was reformed."

The Soviet Union has agreed with its East European partners that such links and the founding of joint companies are essential. The aim is to short-time that significant reforms, however, can panies in Comecon deal with

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is that it has too many "committees and commissions" and neglects "economic levers, initiative, socialist entrepreneurship and workers collectives."

This broadside delivered by the expected to be gradual. each other through the ministries responsible for them.

Mr Ivan T. Berend, president of the Hungarian Academy of Sciences noted in a recent interpreneurship and workers collectives."

This broadside delivered by the expected to be gradual. each other through the ministries responsible for them.

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This broadside delivered by the expected to be gradual. each other through the ministries responsible for them.

Mr Ivan T. Berend, president of the Hungarian Academy of Sciences noted in a recent interpreneurship and workers collectives."

1.40

tion between engineering companies."

Such direct ties, however, are urgently needed if Comecon is to overcome another serious drawback. Until now, individual countries were assigned production specialities "such as buses for Hungary and trems for Czechoslovakia. But there was little incentive for them to produce badly needed components especially for the electronics industry.

Each Comecon country striyes for industrial self reliance be
struct week's Bucharest summit meeting.

The transferable rouble, a concountring device is non-convertible and thus not a claim on actual goods.

But before a convertible currency can be created, Mr Berend noted the economies of the Soviet Union and the East the process of the control of the control of the control of the control of the outcome of reforms in the soviet Union.

The European Commission yesterday agreed the outline of the European Community's first commercial and economic first commercial and economic pact with Hungary, Reuter reports from Brussels. The wide-ranging proposals need approval by Community foreign ministers.

the others to deliver what it

officials now accept in principle that a convertible currency is unavoidable, concrete steps in this direction are not expected at next week's Bucharest sum-

Similarly, Moscow said that Soviet nuclear energy output would double to 20 per cent of total electric power production by 1990. This, however, would many hosting conseits by some

#### IFC PLANS TO INCREASE COMPANY INVESTMENT

# India urged to ease equity rules

The International Finance Corporation has urged the Indian Government to relax its foreign investment rules so that a planned expansion by the World Bank affiliate in equity investment did not reduce the stakes available to other foreign partners.

The call came from Sir William Ryrle, the IFCs executive vice-president who also confirmed in New Delhi that the IFC aimed to increase the size of its Indian company investment portfolio by between 100m and 150m a year for the next two or three years.

Corporation's investments have totalled \$330m, some of which size do more business with medium-totalled \$330m, some of which size do more business with medium-sized companies. Technological and financial help has, for example, recently been given to Gujarat Glass to import Cornting to West India Match to diversity into food processing.

William Ryrle, the IFCs executive vice-president who also confirmed in New Delhi that the IFC aimed to increase the size of its Indian company investment portfolio by between 100m and 150m a year for the investments investments in projects which otherwise might into for Great Eastern projects which otherwise might not go ahead, along with technical and other advice.

Several recent investments have do more business with medium-sized companies. Technological and financial help has, for intermed company to example, recently been given to Gujarat Glass to import Cornting to West India Match to diversity into food processing. Other new investments include \$10m for Great Eastern projects which otherwise might not go ahead, along with technical and other advice.

The Commonwealth Development of the finance in the US and financial help has, for intermed company in the form of equity, but the dispersion to West India Match to diversity into food processing. Other new investments include \$10m for Great Eastern projects which otherwise might to have supported to help finance and \$15m for Indian Exim Bank line of credit.

The IFC provides foreign example, recently been given to dim financial help

100m and 150m a year for the next two or three years.

India's share of its worldwide interest would then be lifted from 6 per cent to 15 per cent, the level of Brazil its biggest customer.

The IFC began expanding its business in India two years ago. Since then hearly 20 projects have been agreed or are in the final stages of negotiations, involving about \$170m of IFC loans and equity.

During the past 30 years, the

Several recent investments have helped to finance Japanese plant vest £100m (\$140m) in industry, agriculture and co-operatives in the next three years, subject to formalities being completed with the Indian Government, Yamaha and Honda, each of which are receiving about \$6m to chairman, said in Delhi at to \$7m for two-wheeler projects.

A deal, possibly involving about \$170m of industry.

Several recent investments operating in Indian soon to inthe ext \$100m (\$140m) in industry, agriculture and co-operatives in the next three years, subject to formalities being completed with the Indian Government, Yamaha and Honda, each of which are receiving about \$6m to chairman, said in Delhi at to \$7m for two-wheeler projects.

A deal, possibly involving the weekend.

One of the first possible investments in the next three years, subject to formalities being completed with the Indian Government, Yamaha and Honda, each of which are receiving about \$6m to chairman, said in Delhi at to \$7m for two-wheeler projects.

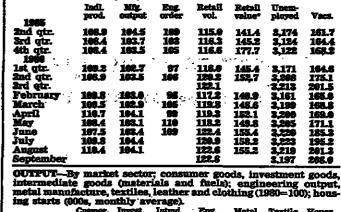
A deal, possibly involving the wetkend.

One of the first possible investments in the next three years, subject to formalities being completed with the Indian Son to invest £100m (\$140m) in industry, agriculture and co-operatives in the next three years, subject to formalities being completed with the Indian Government, being the possible in the next three years, subject to formalities being completed with the Indian for Kindersley, the corporation of the weekend.

One of the first possible investments in the next three years, subject to formalities being completed with the Indian for Kindersley in t

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales value (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

**UK ECONOMIC INDICATORS** 



	Construct.	Invest. goods	Intmd. goods	Eng. output	Metal mote	Textile etc.	Hous
1965			_				
2nd qtr.	103.4	165.0	113.5	105.6	115.9	102.1	18.
3rd qtr.	104.3	102.3	113.3	103.5	114.4	103.2	17.
4th qtr. 1986	183.7	162.6	112.5	163.1	111.6	102.8	15.0
1st qtr.	102.5	102.6	115.3	162.2	110.3	102.1	14.
2nd qtr.	184.1	101.9	114.2	102.5	1116	182.9	20.
January	191.8	192.3	114.3	192.0	111.0	102.0	13.
February	103.4	102.4	116.3	102.0	110.0	104.0	12
,March	162.2	103.1	115.4	193.0	110.0	163.6	16.
April	104.7	102.5	117.2	162.8	100.0	105.8	18.7
May	162.6	101.8	1126	102.0	112.6	101.0	19.
June	183.9	101.5	111.9	102.0	114.0	183.0	22.1
July	104.5	182.6	115.4	104.0	113.0	162.0	21.
August	104.6	101.9	117.0	103.0	112.6	105.0	
		TATOS		2007	216.0	769'8	15.0
EXTERNA	L TRAD	E-Ind	ices of	export	and i	m port	- Inc

(1960=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); official reserves. Current Oil Terms Reserve balance balance trade US\$but

1985
2nd qtr.
3rd qtr.
4th qtr.
1998
1st qtr.
2nd qtr.
March
April
May
June
July
August
Septemb -1,459 +597 +1,922 101.1
-1,613 +345 +732 102.4
-2,851 -1,151 +768 102.2
-1,205 -608 +250 100.7
-233 +369 +252 101.7
-638 - 46 +201 102.0
-623 + 30 +279 100.6
-568 + 12 +281 102.2
-1,486 -886 +211 102.9
-1,486 -886 +211 102.9 117.4 120.8 123.6 113.0 121.5 120.2 120.7 126.6 117.3 186.8 18.99 19.17 19.20 19.68

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP†, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

Bank BS HP Base
M0 M1 M3 advacs. inflow lending rate
% % % gen fm %

2,220 7,385 1,433 7,658 168 657 2,366 736 2,743 500 2,272 177 2,543 387 2,718 452 2,684 12.2 26.7 16.9 16.4 28.5 27.9 25.0 15.9 17.8 18.5 19.7 23.8 13.9 14.2 28.6 39.4 31.5 18.5 11.59 10.68 10.60 11.50 11.50 10.00 10.60 22.9 8.2 21.5 42.8 35.1 29.1 18.5 21.2 11.0 12.5

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (Jan 1974=100); Reuters commodity index (Sept 1931=100); trade weighted value of sterling (1975=100).

Basic Wheale, matia, "mig." RPI\* Foods\* 2nd qtr.
3rd qtr.
4th qtr.
1996
1st qtr.
2nd qtr.
3rd qtr.
8rd qtr.
February
March
April
May
June
July
August
September 122.6 143.4 286.8 126.1 145.7 283.7 121.2 146.3 286.1 123.5 143.2 381.1 129.4 144.3 281.6 127.1 145.4 285.2 126.7 145.9 286.9 124.6 145.8 285.8 120.0 145.9 384.7 120.8 146.3 285.9 122.8 146.3 285.9 122.8 146.3 285.9 348.3 349.5 348.1 343.6 345.2 347.4 349.8 347.4 348.6 348.3 1,813 1,453 1,488 1,808 1,813 1,786 1,763 1,453 1,460 1,461 1,544 75.1 76.1 74.2 74.2 76.2 76.1 75.9 74.0 71.4 70.4 184.0 177.9 182.4 184.0 182.3 185.7 187.9 187.3

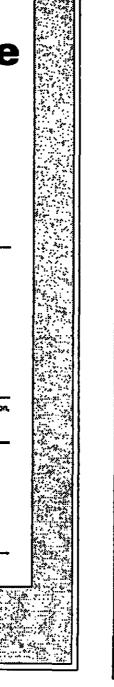
\* Not seasonally adjusted. † From January 1996 includes amounts outstanding on credit cards.

# Aircraft suppliers offer countertrade

THE UK, France and Sweden growing feeder airline, which ing about 100 new aircraft in THE UK, France and Sweden have offered to supply turboprop airliners to India with part of the cost being covered by buy-back of Indian goods, John Elliott reports from New Defhi. The offers have been submitted to the Ministry of Aviation and a similar move is expected from Canada.

THE UK, France and Sweden growing feeder airline, which ing about 100 new aircraft in the next 10 years.

These will follow the Airlines or offered by both Air India and Indian Airlines, the country's main international and domestic carriers, and will include replacements for Air India's Boeing 747s which the control of the cost being coverable by both Air India and Indian Airlines, the country's main international and domestic carriers, and will include replacements for Air India's Boeing 747s which the Roeing and McDonnell Douglas



is expected from Canada.

The aircraft are to be bought for Vayudoot, India's rapidly He said India would be required to the US and Airbus Industrie, for Vayudoot, India's rapidly He said India would be required to the US and Airbus Industrie, the European consortium. **BUSINESS IN PORTUGAL** departures to Lisborn, and the only direct services from Healthrow to Oporto, the Algarve and Madeira, you'll soon discover that CAP Air Portugal is the way to do business in Portugal.

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::Cour

"SERIOUS SECURITY weaknesses" existed up until 1984 at the
Cyprus headquarters of 9 Signal
Regiment, according to a report
published yesterday by the Security
Commission.

The elevations of sexual impropriety and heavy drinking that
employing a considerable number of young people.

The relevations of sexual impropriety and heavy drinking that
emerged during the security service
investigation had come as a complete shock to them, the report
added.

the regiment. Everyone has a posting very young servicemen to

vestigate security at the base near heightened awareness of security sensitive locations such as Cyprus.

Larnaca – which is manned by risks and, in the present climate, The commission said that a repersonnel, although "nobody can

members of the regiment.

Several servicemen apparently over familiarity with foreign nation admitted to very serious breaches of security, which included handing over classified documents to unauther the continuous drinking, or led to the withdrawal of nine security clearances, on the grounds of continuous drinking, or led to the withdrawal of nine security clearances, on the grounds of continuous drinking, or led to the withdrawal of nine security clearances, on the grounds of continuous drinking, or led to the withdrawal of nine security clearances, on the grounds of continuous drinking, or led to the withdrawal of nine security clearances, on the grounds of continuous drinking, or led to the withdrawal of nine security clearances, on the grounds of continuous drinking, or led to the withdrawal of nine security clearances, on the grounds of continuous drinking, or led to the withdrawal of nine security clearances, on the grounds of continuous drinking, or led to the withdrawal of nine security clearances, on the grounds of continuous drinking, or led to the withdrawal of nine security clearances, on the grounds of continuous drinking, or led to the withdrawal of nine security clearances, on the grounds of continuous drinking, or led to the withdrawal of nine security clearances, on the grounds of continuous drinking, or led to the withdrawal of nine security clearances, on the grounds of continuous drinking, or led to the withdrawal of nine security clearances, on the grounds of continuous drinking, or led to the withdrawal of nine security clearances, on the grounds of continuous drinking, or led to the withdrawal of nine security clearances, or the grounds of continuous drinking, or led to the withdrawal of nine security clearances, or the grounds of continuous drinking, or led to the withdrawal of nine security clearances, or the grounds of continuous drinking. sive and continuous drinking, or led to the withdrawal of nine secur-

Security defects found at Cyprus base

REPORT CALLS FOR TIGHTER MONITORING OF SERVICE PERSONNEL

members of all three armed ser-vices - after charges under the Offi-to feel in these matters that behav-service personnel who had served

cial Secrets Act laid against seven iour such as homosexuality, excess in 9 Signal Regiment since 1981 had

# Mercury likely to reduce price of phone calls

MERCURY, the sole competitor to gime in the run up to the flotation British Telecom's main network, is of British Gas. likely to announce price cuts for some of its long-distance calls before the end of the week, now, that British Telecom has been given the go-ahead to change its prices from the start of November.

The British Gas.

An acceptable rate of return for BT at present on a historic cost basis is 19 per cent, Professor Caraberator of the start of November.

These would be Mercury's first price cuts since it launched its alternative phone service and would signal a new round of competition in UK telecommunications.

The Office of Telecommunications.

The Office of Telecommunications.

He suggested that the price formula might eventually have to be strengthened if quality of service package of price changes, which range from an 18.9 per cent in the crease on local calls at peak times

to a 17 per cent cut in some long-distance calls.

Professor Bryan Carsberg, Oftel's director general, has concluded that BT is not making excessive profits under the RPI-3 formula, which governs BTs price changes.

This programs the changes of control of the changes of the changes

governs BT's price changes. der which it has cut long distance
This removes the chances of courates and increased local rates, had troversy over BTs regulatory re- very nearly run its course.

This compares, for example, with

the 16.4 per cent pay increase for an 18-month period starting at the

beginning of this month which is

recommended by the Main inquiry into the Scottish teachers dispute.

The statement this afternoon will

Government is ready to make available and the contractual condition it is demanding in return. The Trea

spending over and above the £1.2bn

for four years already promised as

#### Teachers to be offered 16% two-year deal

BY PETER RIDDELL, POLITICAL EDITOR

A PHASED package of pay in public expenditure costs, will be creases for teachers amounting to spread out over two years and will around 16 per cent spread over two not take effect until January next years in return for specific commit- year. ments on duties will be announced in the House of Commons this afternoon in the hope of bringing the long-running dispute in the schools

Statements will be made by Mr retary, and by Mr Malcolm Rifkind, the Scottish Secretary, after agree-ment yesterday morning at a ministerial committee chaired by Mrs sury has been insistent both on Margaret Thatcher, the Prime Min-ister. The full Cabinet will give for spending over and above the CLZbo mal ratification this morning.

cent in 1984-85.

crease on local calls at peak times price formula would be impractical

# Lobby votes for non-attributable briefings

The commission was asked to in-

The Lobby committee will meet tion in Lobby briefings. This was a The outcome means that for the away from non-attribution

PARLIAMENTARY Lobby journal-ists yesterday narrowly decided to reference and membership of such pected in the extra time being briefings by Mr Bernard ists yesterday narrowly decided to reference and membership of such

continue the present system of non-attributable briefings by government spokesmen, but also backed an inquiry into current Lobby practice.

The Tables consentition will meet the present system of non-attributable briefings by government spokesmen, but also backed an inquiry into current Lobby practice.

On the second question in the balling retary, will continue to be on a non-attributable basis. He has indicated his firm opposition to any change the rules of non-attributable are retary, will continue to be on a non-attributable briefings.

On the second question in the balling retary, will continue to be on a non-attributable basis. He has indicated his firm opposition to any change.

In the vote, on a turnout of nearly second question in the balling retary, will continue to be on a non-attributable briefings.

The vote, on a turnout of nearly second question in the balling retary, will continue to be on a non-attributable briefings.

The vote, on a turnout of nearly second question in the balling retary, will continue to be on a non-attributable basis. He has indicated his firm opposition parties the proposition parties are retary, will continue to be on a non-attributable briefings. The vote, on a turnout of nearly second question in the balling retary, will continue to be on a non-attributable basis. He has indicated his firm opposition to any change.

In the vote, on a turnout of nearly second question in the balling retary, will continue to be on a non-attributable basis. He has indicated his firm opposition to any change.

In the vote, on a turnout of nearly second question in the balling retary, will continue to be on a non-attributable basis. He has indicated his firm opposition to any change.

In the vote, on a turnout of nearly second question in the balling retary, will continue to be on a non-attributable basis. He has indicated his firm opposition to any change.

Far greater effort had to be made

grudge these young people, their re-location or expect them at all times to behave like saints." There was,

# **UK takes maximum** French power load

BRITAIN'S imports of cheap nu-British coal a year, or almost a clear electricity from France now tenth of the CEGB's annual coal clear power stations of the type the so operate at the expense of oil-Central Electricity Generating fired stations in Southern England. Under the two-year commercial agreement for the cables carrying

coast of England. Since Monday afternoon, a series have for the first time been delivering their maximum capacity of 2,000 MW of French power.

age production cost.

With the second 1,000 MW now available, the two utilities are exing their maximum capacity of 2,000 MW of French power.

clear generating centre of Europe, as it presses on with its chain of some 55 pressurised water reactor

where security weaknesses existed. The commission continued is investigations in view of the widespread and continuing concern over the level of security at the Cyprus base and other similar units.

The report said that the incident gave rise to immediate investigations where security weaknesses existed. Problems of personnel security in personnel security in the personnel security of the regiment. According to the commission, the weakness in personnel security of the regiment. According to the commission, the weakness in personnel security of the regiment. According to the commission, the weakness in personnel security of the regiment. According to the commission, the real weakness in personnel security of the regiment. According to the commission, the weakness in personnel security of the regiment. According to the commission, the weakness in personnel security of the regiment. According to the commission, the weakness in personnel security of the regiment. According to the commission, the weakness in personnel security of the regiment. According to the commission, the weakness in personnel security of the regiment. According to the commission, the weakness in personnel security of the regiment. According to the commission, the weakness in personnel security of the regiment. According to the commission, the weakness in personnel security of the regiment. According to the commission, the weakness in personnel security of the regiment. According to the commission, the weakness in personnel security of the regiment. According to the commission, the way to the commission, the weakness in personnel security of the regiment. According to the commission also highlights earlier, serious security of the regiment. According to the commission, the way to the commission, the way to the commission, the way to the commission also highlights earlier, serious security of the regiment. According to the commission, the way to the commission also highlights earlier, serious security of the regiment. According to the commission

nearly equal the output of two nu- burn. In practice, though, it will al-

the first 1,000 MW - which became fully operational only at the beginof heavy submarine cables, termi- ning of October - French nuclear nating under the gardens of Folkes-power would cost the CEGB up to tone promenade, on the south coast, 25 per cent less than its own aver-

The are the latest tangible evidence of France's aim to be the nuple this year's cut in British coal dence of France's aim to be the nuple this year's cut in British coal prices, the French electricity is still prices, the French electricity is still prices. CEGB.

The two utilities have shared the At full load this winter, the cross-Channel link would be displacing which also comprises large installa-the equivalent of some 7m tonnes of the countries. £760m cost of building the link,

#### New airline for Stolport

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

EUROCITY EXPRESS, is being the Civil Aviation Authority (CAA) formed by the British Midland for licences to fly initially to Paris, Group of independent airlines, to Amsterdam, Brussels, Rotterdam, operate services from the City of Guernsey, Jersey, DüsselSorland

London Stolport in the docklands Manchester from the Stolport. area, when that airport becomes operational late next year.

Rate are not yet determined, but will be based on current European The new airline has applied to short-haul business-class rates.

# The package represents a compromise within the Government one year to single figures to avoid since the pay rise, and hence the wider damage in the public sector. Hanson to look again at Courage pensions

PENSIONERS in the Courage pen-scheme's surplus, Mr Derek Ros-

Yesterday's extraordinary gen-eral meeting was held to seek approval from shareholders of the proposed £1.4bn sale of Courage, which Hanson secured in its successful bid for Imperial Group earlier this year. But the meeting was devoted almost entirely to questions relating to the method of dis-

posal of the pension scheme. shareholders who were Courage pensioners, and by representatives of the Transport and General Work-

taken out of the Imperial or Courage pension funds, neither would Hanson do so voluntarily in the fu-

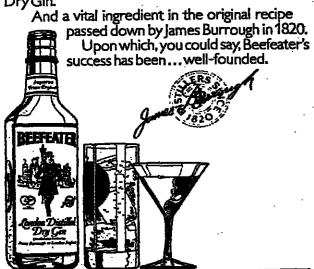
Courage pension fund is being split in two between the employees on one hand and the per osal of the pension scheme. ex-employee deferred pensioners
Goaded by accusations from on the other. The employees' part,
hareholders who were Courage with sufficient assets to meet the liabilities, is being passed to Elders while the other part, which will coners Union, also as shareholders, tain any surplus, is being retained that Hanson intends to keep the by Hanson.

#### sion scheme yesterday secured a ling, vice-chairman of Hanson concession from Hanson Trust to Trust, said: We are not going to reconsider the position of the raid the fund. We are not hijackbrewery group to Elders IXL.

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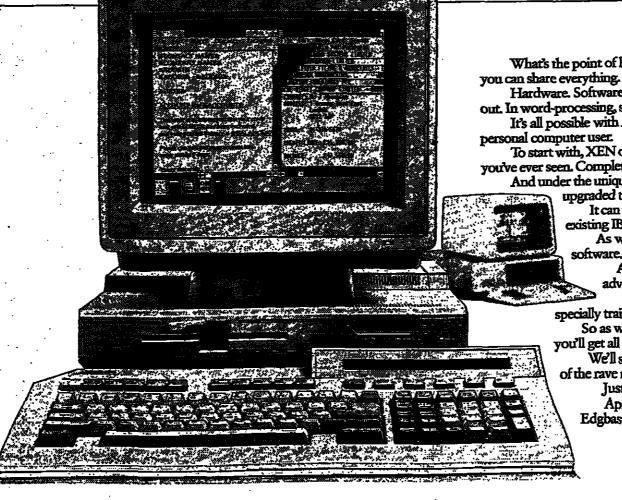
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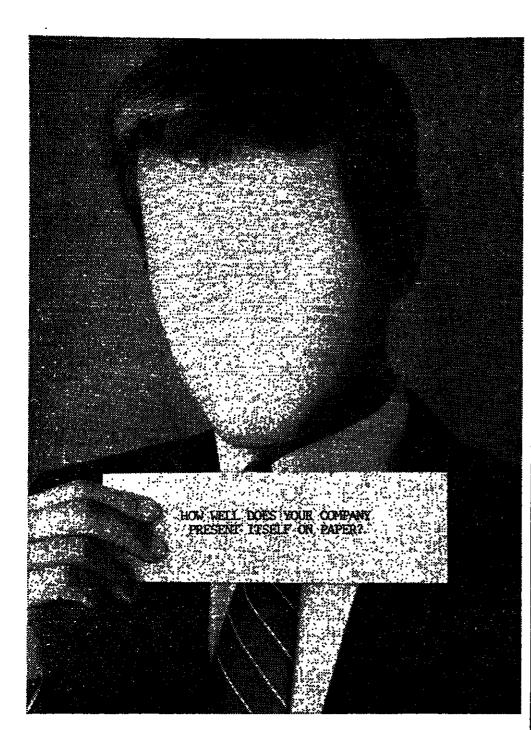
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# over access to tin crisis papers

THE GOVERNMENT clashed with documents to prove its contention MPs over the tin crisis again yester-day after Mr Paul Channon, the negligently over the ITC, the inter-Trade and Industry Secretary, re-fused to provide them with any of collapsed a year ago, defaulting on the documents they have demanded gross debts to metal brokers and relating to the affairs of the Inter-

for Industry, repeatedly stone ty rules by circulating some of the walled when questioned by memwalled when questioned by mem-bers of the House of Commons select committee on trade and indus-

week: the Government could not privileges. documents because it is bound under the International Tin Agreement to keep them confidential.

The committee has already censured the Government once over the tin crisis. Mr Robin Maxwell-Hyslop, acting chairman, said after provide the committee with ITC formation from the committee yes-terday. He furnished the committee other brief report. with a list of documents in the The Government has apparently

The committee is trying to obtain the ITC.

bankers of up to £900m

national Tin Council (ITC). It argues that the Government
Mr Giles Shaw, Minister of State had already breached confidentiali-

sistently yesterday that the Bank on tin, and that the told the committee in a letter last committee could not claim the same

The committee has already cen ment to keep them confidential.

In addition, Mr Robin Leigh-Pemberton, Governor of the Bank of would decide shortly whether to England, replied to a request for in-

Bank's possession on the tin crisis, decided to say as little as possible but this was so vaguely phrased as about the tin crisis, in view of the to be meaningless, according to fact that it is under a continuing committee members.

#### Audio tape law delayed

BY OUR POLITICAL EDITOR

LONG-PROMISED legislation to time of summer 1988. update copyright law and introduce

The bill has been squeezed out to
a levy on blank audio tapes is almake way for the education meaupdate copyright law and introduce most certain to be dropped from the sure on teachers' conditions and overnment's next parliamentary terms of service. The government is

programme.

As a result, any change in the law is likely to be delayed until after the next general election unless polling takes place at the latest possible service. The government is determined to complete the legislative programme by July without the usual autumn spillover, this will give maximum flexibility on election timing.

# Rebuff for MPs Social attitudes shift clearly to left since general election

BY RICHARD EVANS

A CLEAR and continuous shift to with less than a third (32 per cent) the left in Britain since the last gen-who chose this option in 1983. The eral election emerges in a survey swing has occurred among support-published today which shows that a ers of all the main political parties. majority wants more government intervention in the economy and an emphasis on reducing memployment rather than on tax cuts.

health spending in particular remains high, with nearly half choosing it as their first priority for extra

The survey, British Social Attitudes: The 1986 Report, is the third in an annual series designed to show any movement in public attitudes to politics, employment, pub-lic spending, defence, nuclear pow-er and social and moral issues.

The trend to the left appears in items measuring the electorate's at-titudes to redistribution, unemploy-ment, nuclear defence and the wel-Health Service and education.

There has been a rise since 1983 in the proportion preferring an in-crease in taxes rather than cuts in

Now, nearly half (45 per cent) fa-vours increased taxes to finance higher social spending, compared

The popularity of increased

Views about the role of the welfare state, which were not particu-

have become more sympathetic. But as in 1983, about two-thirds of those questioned believe that large numbers of people falsely claim

The report, based on an annual survey by Social and Community Planning Research (SCPR) of 1,700 people, is sponsored by a combination of organisations ranging from government departments, the Economic and Social Research Council, a Sainsbury charitable trust, the Nuffield Foundation and private companies including Marks and

Spencer and Shell UK. Support for the Liberal-SDP Alli-

stability enjoyed by the Conservawell over half Tory and Labour sup-porters are strongly partisan, little more than a third of Alliance supporters are. The Alliance partisan is still a rare breed," the report

Tim

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g will

tracca fil arter in a ta Brava

Alita

Most people are pessimistic about the general prospects for jobs, with two-thirds expecting unemployment to rise in the next year, possi bly by a lot. There is, however, surveys about Britain's general in-

Employees were asked if the best way to a better job was to stay with one employer a long time or to move. Among higher social classes and those with university or profes-sional qualifications, moving be-tween employers is the preferred

groups expect advancement within their company, however. British Social Attitudes: The 1988 Report. SCPR. Hardback £25; pa-perback £12.50.

#### **GrandMet** names new **US** chief

By Cley Harris

GRAND METROPOLITAN, the drinks, botels and consumer products group, has named Mr Ian Mar-tin to head its US operations.

Mr Martin, at present chairn and chief executive of GrandMet's brewing and retailing division, re-places Mr Walter Scott, who is leav-

nounced on Monday, of Liggett Group, GrandMet's last remaining tobacco business to a private US tobacco business, to a private US company for \$137m (£97m).

GrandMet said yesterday that its sound base for expansion of its US GrandMet's board in December last year, has overseen the restructur-ing of the company's brewing and retailing interests.

He will become managing direc-tor of GrandMet USA from November 1. Although this involves a change in title from Mr Scott's position as chairman and group manag-ing director, GrandMet yesterday said that management structure and responsibility would remain

Mr Scott told GrandMet in July that he intended to leave the company, but he stayed on to complete the negotiations for the sale of Lig-gett. A former chairman of IDS American Express, Mr Scott de-

GrandMet USA's remaining busi es, including soft-drink bott ling, pet foods and consumer prod and all but \$6.4m of operating in

US wines and spirits distribution is managed separately, as part of GrandMet's International Distillers

# Amstrad price rises 'will not lift profits'

sonal computer are to stay un-changed, even though prices are to increase by 125 per cent from Janu-Mr Miller said Amstrad already ary, Amstrad, the UK consumer

electronics group, said yesterday.

Anstrad's IBM-compatible personal computer undercut almost all its competitors on price when it was launched amid much fanfare last month. The models ranged from £399 to £949, excluding VAT.

However, the company has now decided to increase prices by 12.5 per cent from January, an unusual move in the personal computer corporate customers throughout market, which has seen tumbling Europe. For instance, 41 of the larg-

Mr Malcohn Miller, Amstrad's asked for a trial.

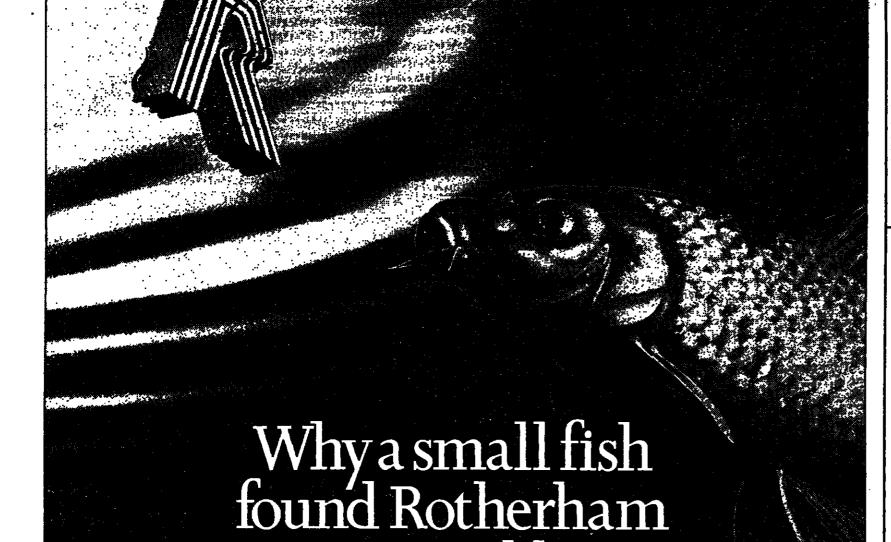
PROFIT margins on Amstrad's permade in the Far East. He said that

ers for about 300,000 personal computers, which was the target it gave for 1986 sales

He said that about a quarter of these had been sold through high street retailers, such as Dixons, and Mr Miller said that interest in the

marketing director, yesterday Amstrad is still intending to blamed the rise in the Japanese launch its personal computer in the





irresistible.

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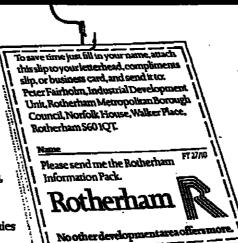
to pet shops throughout the UK. Ian is but one example. Gloystame have more than trebled their staff to 200 in the last three years. Magnet Metals are planning their third new Rotherham factory since 1983.

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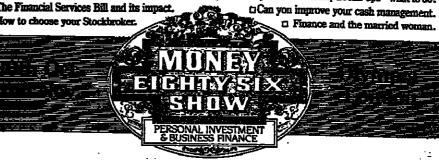
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# Timken places 800 workers on a four-day week

BRITISH TIMKEN, the wholly owned subsidiary of the US Timken group, has put up to 800 of its manua serious drop in orders.

The company, the biggest suppli-er of tapered roller bearings in the ames the decision on weaker falling sales in Britain,

British Timken sells its tapere roller bearings to a wide range of producer. companies, including those in the mining equipment and oil exploration sectors, but its biggest market by far is the vehicle industry. Output of tractors and trucks in the UK has fallen sharply this year.

The shorter week has been introduced at the company's plant in Northampton which employs 1,800 making smaller types of roller bear-ing. It does not affect British Timken's plant at Daventry which produces bearings above 5 inches di-

Manufacturers of tapered roller bearings have been struggling to defend their markets against pro-ducers of ball bearing and this is thought to have hurt British Tim-

The tapered roller bearing uses a cyclinder in place of a ball. Manufacturers claim that this type of bearing has special strength quali-ties allowing it to take heavier

make, however, and ball bearing makers are capturing some of the roller bearing makers' customers. Sweden, Europe's biggest bearing

so bedevilled with overcapacity and predatory pricing by Japanese and A number of anti-dumping duties

covering certain types of bearing have been imposed by the EEC over the past few years on some Japa nese suppliers. Two of Timken's biggest competitors are NTN and Koyo of Japan. British Timken, which has been reducing its production costs in or

to meet fierce pricing worldwide, said it was now a matter of "the survival of the fittest." Its US parent filed an anti-du ing petition in August against producers in a number of countries inchiding Italy, Yugoslavia, Romania

#### Germans invest in **UK** broker

By Hugo Dixon

GREIG MIDDLETON, the medium-sized independent stockbroker with offices in London, Glasgow, Bristol and York, has raised new capital by selling 25 per cent of its equity to four financial institutions. The move is designed to make it strong enough to retain its independence in the face of the changes resulting from Big Bang, the deregulation of the City of London.

The four investors are Lande bank Rheinland-Pfalz Girozentrale. the West German bank, the Scottish National Trust, the Gla based investment trust, the Bank of Scotland and Graig Investments, the investment arm of the Graig Shipping group. GM refused to say how large the individual shareholdings were or what had been paid for

Mr Mark Sherriff, a director of GM, said the new canital would allow the firm to set up more branches in the UK, attract fund ent teams from other brokers and underwrite more equity issues for small compani Buttle Wilson has become the first stockbroking company from

New Zealand to open an office in London, Terry Povey writes. It is ise on the excite created by various New Zealand Philip Stephens reports on endless changes to jobless figures

# Hard work to count unemployed

DERIVING a reliable picture of un-derlying trends in the labour mar-ket from the Government's monthly been difficult. The seemingly endless list of changes introduced by the Department of Employment in the way the figures are compiled

make it impossible. The latest is the decision announced this week by Lord Young, the Employment Secretary, to set a more exhaustive, test, for the 400,000 or so people

benefit each month. If the results of his department's pilot schemes were reflected nationally, the new test could mean that up to 25,000 new claimants per claims or be disharred from mem-

oloyment benefit. The change has provoked an in-evitable political row. The Labour Party charges that Lord Young is attempting to "massage" the official ahead of the next general election. The Government says that it is simply reacting to a report by an all-party committee of the House of Commons which called for a firmer

Whatever the justification for

work" criteria used to judge whether people can join the official

UK UNEMPLOYMENT exti- SCHOOL- LEAVERS UNEMPLOYMENT UNIT DEPARTMENT OF EMPLOYMENT

joining the monthly register.

The pilot schemes run by the deof people presented with the re-vised eligibility test did not pursue their claims. A further 2.4 per cent had their benefit disallowed. Even if those figures are halved when the test is introduced nationally next month, the number joining the reg-ister could be reduced by 12,000 each month over the short term.

If nothing else changed, the Government might then argue that the flat trend seen in the official figures over the last six months was being

techniques and presentation intro-duced by the Employment Departweakened the usefulness of the official statistics as a clear guide to labour market devek

since 1979 in the way the figures are compiled, with all but one of these reducing the officially-recorded total. As the chart shows the indecendent Unemp calculates that the real level of unemployment is around 400,000 high-er than the Government's figure. Although the monthly press re-

ber of people claiming benefit. People seeking work but ineligible for benefit are not counted.

The pace of such changes has accelerated over the past year. The most recent include the extension of the disqualification period for copie judged not to be taking up people judged not to be taking up job or training opportunities; a change in the timing of the count which has taken an estimated 50,000 people off the register; and the conclusion of a rough estimate of the self-employed in the base to calculate the percentage of people out of work, which has reduced the proportion from 13.5 per cent to 12.1

Lord Young and his junior minis-ters at the department have also taken a close interest in the presentation of the statistics.

The introduction of the Restart programme for the long-term un employed earlier this year and the parallel expansion of the Communi Programme has further clouded the picture. The latter is thought to be reducing the claimant total by 5,000 per month, but there are no comprehensive figures for the impact of other aspects of the Restart

It seems a reasonably safe assumption to make that the officials jobless count will fall in the run-up

#### **Trading** stamps to make a comeback

GREEN Shield trading stamps are to make a comeback. The famous its height by half of Britain's shop-pers is returning to retail outlets.

Originally launched in 1958, the trading stamp faded out in the late 1970s as a result of flagging public

galloping inflation.

Now Mr Richard Tompkins, 6 year-old founder of the empire that made him one of the largest personal fortunes in the land, feels with inflation down to single figures that the time is right to resurrect the

and retail trade interest caused by

This time the stamp will have a higher face value (sight times more) than its antecedent, to be give en to shoopers at the rate of one for every 25p spent in store. The rate for petrol sales will vary as a result of tax levied on fuel. The new book of stamps will require 1,024 stamps

For retailers, the benefit of the new Green Shield trading stamp will be the promise of increase to the election. Whether that will be pact of a price cut of more than 2

#### Scottish yard expected to win Conoco order

BY JAMES BUXTON, SCOTTISH CORRESPONDENT CONOCO, the US oil company, is to-

dersier in north-east Scotland.

allsend, in north east England, delivered on time. the jackets, which was 22 per cent commence work on the jackets immediately since without and make the placed to commence work on the jackets immediately since without and the placed to commence work on the jackets immediately since without and the placed to commence work on the jackets immediately since without and the placed to commence work on the jackets immediately since without and the placed to commence work on the jackets immediately since without and the placed to commence work on the jackets immediately since without and the placed to commence work on the jackets immediately since without and the placed to commence work on the jackets immediately since without and the placed to commence work on the jackets immediately since without and the placed to commence work on the jackets immediately since without and the placed to commence work on the jackets immediately since without and the placed to commence work on the jackets immediately since without and the placed to commence work on the jackets immediately since without and the placed to commence work on the jackets immediately since without and the placed to commence work on the jackets immediately since without and the placed to commence work on the placed to c

day expected to order six gas pro- to deliver gas to British Gas from duction platform jackets from the complex of three fields in the McDermott's fabrication yard at Ar-southern North Sea – the Vulcan, Vanguard and South Valiant fields Conoco originally placed a £12m - in October 1988. It has, therefore, order for the jackets earlier this been urgently seeking a solution to year with the Howard Doris yard at the problem of getting the jackets

maintenance basis. The first jacket next year. It is due to complete a was due for delivery next spring. jacket for Marathon late this year

# ...LAST IN

From Oct 26th, Eurobusiness travellers to London can leave Milan at 8.15 pm? Alitalia now has 52 weekly flights. between Heathrow and Milan, 114 flights in all, between Heathrow and Italy. Brava Alitalia!





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in accordance with the terms and conditions of the above-mentioned Notes ("the Notes"), all of the Notes will be redeem-ed on the next coupon payment date December 16, 1986 (the "redemption date") at the price of 100% of their principal amount (the "redemption price").

here's a new sparkle in Sun Life's Stock Exchange and overseas share

dealings these days. It's reflected in the success of Sun Life Trust Management Limited, for instance.

We had two unit trusts in the top 6 performers over the year to September, 1986. house. No less than 4, in fact, among the top two dozen\* That's more than any other company. Investment Management Services Limited

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\*Source: Money Management, September 1986, £1,000 inv

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year had actual gross sales of £84.9m, you'll largest unit trust companies put together. see why we talk about hot performance.

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#### **78%** of PABX sales go to BT

By Geoffrey Charlish

BRITISH TELECOM occupies a dominant position in terms of the number of PABXs (private automatic branch ex-changes) supplied in the UK, in spite of market liberalisa-

According to a survey of 1,290 user companies by Systems Dynamics, the Rickmansworth, UK, telecommunications consultancy, 78 per cent of the samples obtained their systems from BT. New suppliers have, however, made a "small but significant" market penetration in a relatively short time.

The survey also shows users like such features as abbreviated dialling and last number re-call, but on the minuter re-tail, out on the whole have taken a dislike to systems that play a caller music while his called party is being located. More on 92278 5466.

# Plastics drive by Europe's car makers

BY JOHN GRIFFITHS

The principal element of growth, accounting for more than a third of the increase measured by weight, will be provided by the car industry, says the report. says the report.\*
"What began in glove

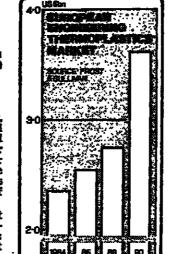
"What began in glove compartment manufacturing is mers.

creeping steadily into head-lamps, bumpers, body parts, three-quarters of the total even the engine." The report market is expected to be points out that some Mercedes accounted for by polyamides, polyamides, madels already incorporate polyamides and ABS House, 4 Grosvenor Gardens, clastics.

engineering thermoplastics by on a weight basis, total demand 1990 will be half as big again for engineering plastics will as last year and worth \$3.6bn at today's prices, according to a report by market analysts Frost & Sullivan.

Overall, it is predicted that, on a weight basis, total demand for engineering plastics will increase from just under 220,000 tonnes last year to over 1.1bn tonnes by 1990, with the motor/transport industrial motor/transport industries accounting for 101,000 tonnes of the increase.

While less than 2 per cent annual tonnage growth is fore-cast for styrenes, Frost & Sullivan expects 6.5 per cent



#### £3.5m private digital network for ICI

BY GEOFFREY CHARLISH

THE LARGEST private digital telecoms networks in the UK, installed by GEC Reliance, has gone into action at Imperial Chemical Industries

The new voice and data network is based on 10 GEC SL-1/SLX systems which combine the functions of private automatic branch ex-

changes and transmit switching centres. The network, which cost \$3.5m, links 70 ICI sites from Grangemouth in Scotland to Pontypool in Wales, and embraces 50,000

Calls are managed using the new UK DPNSS (digital private network signalling system) standard, able to

provide such user features as "call back when free." Data is switched using the international standard X21

GEC Reliance had a similar GEC Reliance had a similar success last year when it provided a systems for Electronic Data Systems, the General Motors data networking service subsidiary which has 216 sites world wide.

#### **Portable** backup for meter men

**TECHNOLOGY** 

By Peter Marsh

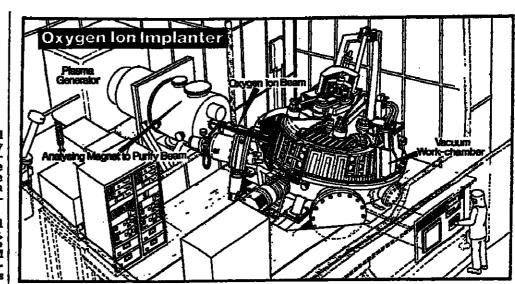
TRAFFIC WARDENS and people who read electricity meters may be among the indi-viduals to benefit from portable computers sold by Immediate Business Systems of Milton Keynes, part of the Allied-Signal group of the US.

The machine, which is linked to its own miniature printer, is about the size of a desk-top calculator, is easy to carry and can withstand rain and exextremes of temperature, says the company.

As a result, according to Immediate Business Systems, traffic wardens could simply key in details of a motorist's transgression and the system would automatically print out a document for fixing to the offending vehicle.

The computer's memory can

also contain details of use of the warden, for example the registration numbers of stolen cars. The hardware can be used by a variety of other workers, suggests the Milton Keynes company which was originally set up to exploit ideas in port-able computers emanating from Plessey's research laboratories in Caswell. Men and women who in caswell. Men and women who inspect electricity meters, for example, could enter readings in the computer and give householders personal print-outs of the likely size of their electricity bills.



# Beaming in on harder SDI chips

A BEAM that can drive oxygen ions deep into a silicon surface to form an insulating layer of silica (silicon dioxide) has been devaloped in a \$3.8m collaboration by British industry and national research centres.

nuclear weapons is of growing maintain the single - crystal nature of the silicon surface for subsequent processing into the US's Strategic Defence initiative (SDI).

Behind the new silicon the required penetration of hardening service, run by V. G.

The result is a new commercial facility, largely paid for by the taxpayer, which offers a service in "hardening" silicon chips against the ravages of nuclear radiation and lightening strikes. The service, officially inaugurated this week, can treat from 600-2,000 silicon wafers a week.

Hardening of electronics against the electromagnetic pulse (EMP) from exploding

Initiative (SDI).

Behind the new silicon hardening service, run by V. G.
Semicon of East Grinstead, Semicon of East Grinstead, Surrey, is a three-year develop-ment programme involving two UK Atomic Energy Authority laboratories, the company itself, and a user advisory panel com-prising British Telecom, GEC and Plessey, Britain's two major electronics companies.

The new facility, is called Oxis 100 and is built round an oxygen ion beam system developed jointly by Harwell, the Atomic Energy Research Establishment, and the Culham Laboratory, which does research into controlled nuclear fusion.

into controlled miclear fusion.

For Oxis 100, the ion beam current has been boosted from a maximum of 10 milliamps, normally used for doping, to 100 milliamps. At 200 kilovolts, the oxygen ions are driven to a depth of one micron (0.001 mm) in the silicon wafer, to form the insulating barrier of oxide. This barrier isolates electronic circuits etched in the electronic circuits etched in the silicon surface from any sil three British companies on spurious or damaging signals circulating in the wafer itself when bombarded with radia.

Moffait, manager of the silicon bardening facility for companies on the companies on the companies on the companies on the companies of the silicon the companies of the companies on the companies of the companies on the companies on the companies on the companies of the companies on the companies of the companies on the companies on the companies of the companies on the companies of the companies on the companies on the companies on the companies of th

subsequent processing into chips.

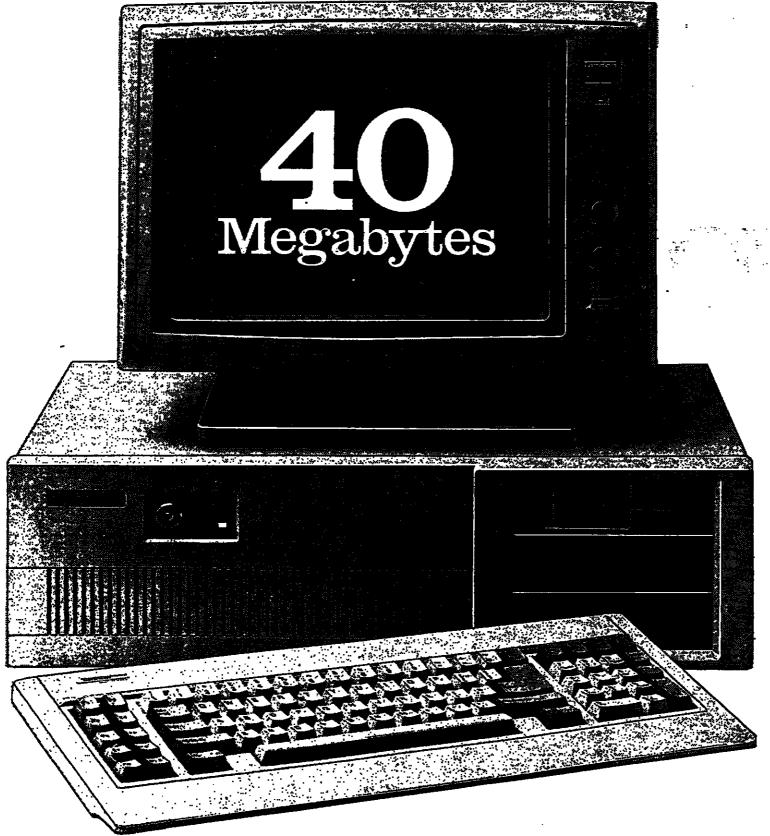
The ion source needed to get the required penetration of oxygen is itself made of silica. All surfaces which may be touched by the ion beam, 4 metres long, are coated with pure silicon to minimise contamination of the system. The beam is automatically scanned across a batch of silicon wafers across a batch of silicon wafers totaling 20,000 sq centimetres.
V. G. Semicon plans to use the Oxis 100 facility both to

demonstrate the technology to potential purchasers of the system, and to offer a production service complementing its service in providing gallium arsenide, an alternative semi-conducting material.

Initially, the new service in hardening efficin is being offered as competition for sikicon-on-samphire circuits, where radiation hardness to 1m rads or more is specified for defence or space applications. (A rad is a unit of radiation energy deposited in a material). V. G. Semicon has orders from all three British companies on when bombarded with radiation.

In Oxis 100, wafers are processed automatically at redheat, up to 750 degrees C, to Tron the US, says Dr Steve Moffait, manager of the silicon hardening facility. For companies wishing to buy their own Oxis 100 system the price is about £2m.

# Business begins at 40



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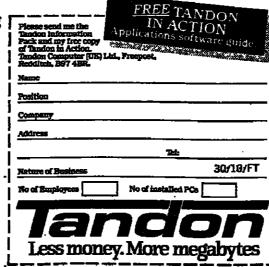
The new PCA-40 makes a total of seven around 40% below the equivalent offering from IBM.

> But with the PCA-40 there is no equivalent. Because IBM doesn't offer a 40 Mbyte system.

Shouldn't your business begin with a

For further information on The Tandon PCA-40 and the full Tandon range, plus a free copy of the Tandon in Action application software guide, send off the coupon or phone Tandon on:

0527 46800.



# **Commerce on scent** of tiny substances

TEN COMPANIES, all British or having "a strong British by the presence of certain presence," are collaborating with the Atomic Energy Research Establishment at Harwell to try to develop new ways of detecting biologically active substances of minute concentrations.

In nature, a membrane of this two is made up of a double

They have formed a research club backed by n a year to spend in the search for inexpensive and easily used sensors for medical and veterinary tests. If they are

willing to go for nigh-risk, nigh-return research.

A year ago blosensors were part of Harwell's wider interest in new sensors (detectors) of all kinds. This research was persued in the materials de-velopment division under the velopment division under the management of Dr Andrew Chadwick. Three companies then agreed to form the blosensors club, the latest of a score or so of such research and development arrangements created by Harwell over the past decade to facilitate transfer of publicly-funded science into new British products and new British products and

punicity-randed science into new British products and techniques.

In the pest six months membership of the biosensors' initiative has been expanding rapidly to create "a very lively forum," Dr Chadwick says. Part of his job, as manager of the chemical technology centre, is to sell the club concept of collaboratively funded programmes to UK industry.

The biosensor materials club, which began with a portfolio of ideas for possible "second-generation" sensors, has already focused most of its attention on a single technology. This is to harness immunology—the science of the immune reaction—as a sensory

immune reaction—as a sensory technique.

In effect, the researchers are trying to harness nature's own methods of sensing, for example in taste and smell. These are sensitive enough in some cases to detect nanograms (billionths of a gram) per mililitre of a substance. "It's presty architicage "The William President". substance. "It's pretty ambitious project," Dr Williams acknowledges. In fact, the concept the club

has chosen to pursue is one which arose from a collaboration in corrosion research between Dr Williams and Prof Martin Fleischmann, the electro-Martin Fleischmann, the electrochemist at Southampton University. They have applied for a patent on this idea, which is to mimic the body's own electrochemical sensors through a mechanism called the ion gate sensor.

sors to monitor concentrations of carbon monoxide and hydrogen sulphide.

One successful goal has been a fire detector more sensitive than commercial smoke detectors. This is capable of picking up carbon monoxide and other toxic gases even off in complus chemist at Southampton University. They have applied for a patent on this idea, which is to mimic the body's own electrochemical sensors through

In nature, a membrane of this type is made up of a double layer of lipid (fat-like) mole-cules about 5 nanometres (billionths of a metre) deep. It is able to recognise and bind to single molecules and in the

sensors for medical and to single molecules and in the veterinary tests. If they are successful their technology will also find its way into new methods of controlling hiotechnology processes such as fermentations and cell culturing, in genetic engineering for example, and for monitoring food and drugs for impurities, toxins and signs of deterioration.

Dr David Williams, manager of the club at Harwell, will not name his corporate collaborators but says they are entrepreneurial organisations willing to go for high-risk, high-return research.

A year ago blosensors were part of Harwell's wider interest toxins, and in the process open a "gate" which permits an electrical signal to pass, announcing the presence of that molecule.

But lipid bi-layers are very difficult to make artificially searching for mechanically more robust membranes of artificial polymer that will imitate a lipid bi-layer membrane's action. Into these polymer membranes they will try to incorporate monoclonal antibute and specificity for the process open a "gate" which permits an electrical signal to pass, announcing the presence of that molecule.

But lipid bi-layers are very difficult to make artificially polymer that will imitate a lipid bi-layer membranes of artificial polymer that will imitate a lipid bi-layer membranes are constant and signs of deterioration. Into these polymer membranes they will try to incorporate monoclonal antibute and specificity for the process open a "gate" which permits an electrical signal to pass, announcing the presence of that molecules.

But lipid bi-layers are very difficult to make artificially. So the Harwell scientists are searching for mechanically more robust membranes of artificial polymer that will imitate a lipid bi-layer membranes they will try to incorporate monoclonal antibute and searching for mechanically more robust membranes are very difficult to make artificially polymer that will imitate a lipid bi-layer membranes they will try to incorporate monoclonal antibute and searching for mechanicaly toxins, etc.—they hope



Although this ion gate sensor, as a concept which Williams believes is unique to Harwell, is the mein goal of the research club, the idea of an optical biosensor is also being assessed. The ten members of the club which have agreed to this programme range from big regramme range from big re-search-based health-care comsearch-based health-care com-panies to groups with no re-search of their own, and others which say they want to break into the medical market. They are funding a group of five professionals—"a unique com-bination of scientists and en-gineers"—led by Dr Williams. Under club rules there is nothing to stop a club member nothing to stop a club member from placing a separate research contract with Harwell By the same token, Harwell itself is willing to sub-contract investigations where its first than the same token in the same to the same to sub-contract investigations where the same to sub-contract investigations where its same to sub-contract investigations where its same to sub-contract investigations are supplied to the same to sub-contract investigations are supplied to

itself is witting to sub-contract investigations where it finds a particular pocket of expertise it wants to tap.

Britain has a strong university base of research in novel sensors, maintains Dr Chadwick, of the such contract as Cranfield sensors, maintains Dr Chadwick, citing such centres as Cranfield for biosensors, Oxford for enzyme-based sensors, and Imperial College, London, for electrochemical sensors.

Dr Williams also manages two other Harwell research clubs, exploring novel gas sensors that

exploring novel gas sensors that will detect minute amounts of a poisonous gases, and new sen-sors to monitor concentrations

sensor.

The basis of this is a membrane which is normally insulated for making smoke.

Toxic gases given off in combustion before it reaches the stage of making smoke.

# At least there's one thing the world can agree on.

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# Japanese aim to set a fashion in the West

Gordon Cramb reports on the ambitions of Hanae Mori and Renown

than ensemble: the shops which Paris for the last ready-to-line its streets cover the full while in Japan, her ready-to-rance from boutique to bazaar. wear, which makes up most of The wares reflect a Japanese the business, is almost as clothing industry which is indulgent in its quality of diverse but whose composite fabric and attention to deail. parts share a rapidly inter-nationalising outlook.

Asia are key targets; Europe should not be too far behind.

The trend has something to

to compact disc players may be suffering from the ascent in the

The reason is that, on the whole, it does not export: to the extent that it does, the squeeze is being more than offset by cheaper costs for the raw materials needed to be imported.

Instead, the shift is to production overseas. At least two of the most prominent com-panies in the sector are implementing their own, finely tailored, strategies for markets overseas, while others show signs of following.

Hanae Mori, an exclusive designer house, and Renown, the country's leading volume producer of suits and leisure wear, are not usually mentioned in the same breath. Until re-cently, a headquarters in the Harajuku area was about all they had in common. Yet the moves they have independently set in train take them along

much the same route. A presence outside Japan is the most prominent sign of a repositioning which lays stress on technology alongside creati-vity, but which relies on the domestic market for the bulk

At first sight, the house founded in 1951 by Hanae Mori (who is still at its head)

HARAJUKU, Tokyo's fashion siderations of commerce. She district, is mix-and-match rather has offered haute couture in

But, from its current sales base of Y40bn (£179.5m) a The country's designers have long been represented among the West's most rarefied stratum of style arbiters. What has been happening in recent to corner as much as a quarter months, though, is an extension of this to bring Japanese lines to outlets abroad in larger volumes. North America and the more developed markets of Rico.

do with the yen, but it is not a story about exports of home-produced goods. Although makers of everything from cars to compact disc places are to be shipped from outside Japan so trade frictions and tariffs are everything to the project has come readily, both from Peking and San Juan. The goods are to be shipped from outside Japan so trade frictions and tariffs. tariffs are averted. And, most important for an output of suffering from the ascent in the currency, the rag trade has been immune.

The reason is that, on the currency the it does not expect to the commonwealth status of Puerto Discounting the currency of the cur Rico permits the clothes to carry a Made in USA label.

#### Top quality fabric

Production is due to start next June and attain full pace by 1991, when annual revenues could reach \$100m.

The average wholesale price tag for the garments will perhaps reach \$200 apiece, and Hanae Mori is by no means ready to sacrifice its exclusivity. Instead, it believes it has identified a gap towards the top of the ready-to-wear cashmere market where top quality fabric is not matched by a distinctive approach to style.

As one senior member of the house puts it: "Everything is

chain of boutiques—at present a boutique in Manhattan is its sole own-name outlet. In Japan might be expected by fashion it has 60 shops, along with watchers to be above such con- lets in department stores. it has 60 shops, along with out-

Hanae Mori clothes are already made on a small scale in Europe as well as in the US, under contract arrangements which allow it to add or subtract as the need arises. Of the vagaries of the currency markets Ken Mori, one of the two sons in the business, says: "We are adaptable; we simply shift location. At the same time, we are not encouraging exports encourage imports." Another partner in the cash-

mere project is Transworld, a US maker of textile plant tech-nology, which has been brought in on a long-term basis rather than as a mere supplier of machinery. Apart from gaining funding help, Hanae Mori ensures that its equipment is as sophisticated and updatable as

Renown, with annual sales of some Y220bn and leadership of a mass market for off-the-peg a mass market for off-the-peg suits and casual wear could hardly be more different from Hanaa Mori. What they have in common though, is that they are feeling similar sorts of pressure from young designers like Issey Miyake and Yohji Yamamoto. These new wave designers, unsurprisingly, have their mass market imitators, able to turn out relatively small able to turn out relatively small and changing runs which look right up-to-date while still being affordable.

In a fickle sector, this caters to one of the few constants—a youthful desire to look the same, but not too much the same, and certainly not for too long. In that respect Renown, with its large-volume produclong. In that respect Renown, with its large-volume production runs commissioned mainly from outside suppliers, can be as slow-moving as the Royal made. Again, the link is the Navy flagship which visited Tokyo in 1922 and after which it is named.

Still, its output remains in which fort suggested the deals.

Still, its output remains in demand by the department store groups. The clothing busihouse puts it: "Everything is seen through Mme Mori's eyes. That won't change."

If the venture is a success, what is intended to follow is a move into retailing Hanae Mori wares more widely in the US through the establishment of a chain of boutiques—at present a boutique in Manhattan is its sale own-name outlet. In Japan is to a large extent vertically integrated, with makers taking much of the responsibility for marketing, and retailers able to order on a sale-or-return basis. Hiromichi lnagawa, Renown's president, points out that in a fragmented and financially weak industry worldwide, "they need big companies like ours." sale-or-return basis. Hiromichi langawa, Renown's president, points out that in a fragmented and financially weak industry worldwide, "they need big companies like ours."

What is changing is Renown's approach to its market, a shift



In the past year it has set up In the past year it has set up manufacturing facilities in Singapore, Hong Kong and South Korea. Goods made there are, however, rarely for reexport to Japan—the more numerous lines and quick deliveries which the company is now demanding of itself exclude this for all but the most hasic this for all but the most basic

which first suggested the deals. At home, Renown is investing in point-of-sale stock control systems, while its lines are being broken down from monolithic "national brands," sold to all outlets pretty indiscrimin-

which is requiring new ways of doing things throughout the process, from concept to cash register. Amid this scrutiny of its market standing, the decision was made to go abroad.

Renown clothes may not be much in evidence yet in Europe, but one ready market exists—for its shares. The group has its market standing, the decision was made to go abroad. owned. Several excursions into the Euromarkets have,

broadened an international financing base which the comnany regards as natural despite its lack of exports. More than 600 of Renown's 4,200 staff go abroad each year

to keep track of trends and, according to Inagawa: "Staying ahead of what's happening in fashion is easier than trying to forecast our stock price or the

Hanae Mori, meanwhile, retrains its European presence through the spring Paris fashion shows this month. But Ken Mori is looking beyond the next season, to the chain of boutiques in the US for which for the first trains the chain of the trains of the trains of the trains the tr which for the first time the house will need outside investflotation for the retail business

British TV advertising

# From hard to soft sell

Feona McEwan reviews a 30-year history of commercials

NOWHERE is the British distance for commercialism more neatly likestrated than at the violent birth of independent television. Who would have thought that a stilted 60-second commercial dor toothpaste (consisting of a packshot of Gibbs SR, a block of ice and talk of "tingling freshness") would have symbolised such dissent within the British establishment, or un-British establishment, or unleashed such vitriol?

Lord Reith, the pioneer of the BBC, compared commercial television to smallpox, the Black Death and the bubonic plague. Lord Hallsham likemed ITV to "Caliban emerging from his slimy cavern." Lord foresaw an orgy of vulgarity.

On the fateful first com-mercial night in September 1955, when Gibbs and Cadbury christened the small screen for advertisers, the BBC was taking no chances. It decided to kill off Grace Archer, one of the nation's favourite characters in its long running radio soap, The Archers, in an attempt to keep its 8m listeners loyal.

Of course history has passed

its own judgment and 30 years on, we know better. Views may differ on the merits of ITV, but what is indisputable did change things forever.

Now a new book, "British Television Advertising—The First 30 Years" attempts to show just how. With the help show just how. With the help of 14 leading advertising practitioners and industry observers, this stock-taking manual, edited by Brian Henry, former sales chief of Southern Television, tracks the bumpy birth, the growing pains, the tribulations and the achievements of the ad industry's most straight marketing too?

virulent marketing tool. Contributions come from agency-shapers like Tim Bell, David Bernstein, and Winston Fletcher, with social commen-tary from Lord Briggs, eminent historian and chronicler of the BBC, and marketing morals from Sir Ronald Haistead, former chairman of Beecham, among others; every chapter is peppered with examples of the good and the great in tele-vision commercials.

"Television changed our conception of how advertising works," says David Bernstein. Profiling the television commercial, he chronicles the way the confrontational hard sell of the more experienced US melted.

the more-experienced US melted into the soft sell, as advertising moved from one to two way communiques. In 1955 the viewer was told something; in 1985 he/she is invited to learn something. The shift was from manufacturer-based marketing to consumer orientation.

#### Sponsor

From the start, the standard American 60 second commercial was reduced in the UK by half and more, and set intervals of "spot" advertising ensured is that the arrival of the first that editorial and commercial truly mass advertising medium content was hermetically sealed. content was hermetically sealed. content was hermetically sealed.
No "and now a word from our
sponsor" lines for the British.
Gradually a new generation of
advertising folk grasped the
new visual grammar. Ads whose
copy was too long (the legacy
of radio broadcasting) and
whose cheek warms too long (the of radio broadcasting) and whose shots were too long (the legacy of film-making) gave way to ads that informed and. importantly, entertained, in an evolution that has given the world some of its top production talents.

There was a symbiosis here.
While advertisers learnt from
the programme makers, so the
makers, not least the BBC,
picked up tricks from the
advertising techniques. "TV
encouraged advertising to surpass TV," says Bernstein. "If you are interrupting a story with a story, you'd better make sure your story is better than the one you're interrupting."

Soon advertising was spending as much on 30 second commercials or more ways. The book has its highspots mercials as programme makers and is a worthy contribution to the history of the industry. Television gained too, he Overall, though, the tome is a hotchpotch of factual reportage, that were six minutes long, were alongside personal viewpoints, reduced for audiences now

of hard evidence to support the most extravagant claims.

Not surprisingly, then, the form is self-congratulatory in general. Television, spurred on by the competition of the new channel, transformed British life.

"Television changed our "Television of how advertising on the most part of how advertising on the most part of how advertising on the most suite for marketing. The US, meantime, had taken the Adam conception of how advertising out what the consumer wants. out what the consumer wants, provide it — then make sure he/she knows where it is. By 1960, he noted, marketing consciousness was British business. was dawning in

One major marketing initiative he welcomes was the regionalisation of television areas. This caused a major restructuring of the advertiser's company planning, distribution networks and sales forces. It provided a powerful tool for selling, new product launches and test marketing.

Highly developed research techniques into campaign coverage and sudience profiles evolved to offer the UK advertiser far better informa-tion, Halstead points out, than is available to their counter-parts in the US.

If soap powder and house-hold cleaners proved the leading advertising category on television in the early years change in the number of industries accepting the benefits of TV advertising. Grocery multiples were one. Tim Bell, a founder member of the Saatchi empire, main-tains that television advertising in the 1970s teaches three main lessons. First it lowers the price of goods, on the volume-sales-lead-to-increased-productivity - which - lowers - the - cost among companies to produce better products. Razor blades have developed from Gillette speeds up the learning curve both for the consumer and for the manufacturer who is con-sequently speeded along the

new product route. Century Benham, £25

# ten-year-old The Financial

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interests at heart. So customers get all the benefits of dealing with a committed local business - as well as all the back-up of a major inter-

national network Strength, stability and dedication of purpose explain ComputerLand's first decade of international success. And there'll be no let-up in standards during our next decade. Even in the fast-moving world of technology, some things don't

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Advertising

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Financial Director

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October 30, 1986

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Katherine Jones, centre, in Gaudete

#### Gaudete/Almeida

#### Claire Armitstead

was an earnest discussion between three arty looking youngsters, in which one was neard to
ask: "Ah, but do you understand it?" The bashful silence
that followed was both comforting and interesting—comforting, because it is nice to
know one is not alone in the
dark; interesting that such a
question should still be asked
among avant garde circles his time is called and the real
which, in reaction to the perceived conservatism of mainforing, because it is nice to know one is not alone in the dark; interesting that such a question should still be asked among avant garde circles which, in reaction to the per-ceived conservatism of main-stream British theatre, are inclined to let the visual image go unchallenged.

go unchallenged. The show, an adaptation of Ted Hughes' narrative poem Gaudete, certainly contains some of the most stunning images one is likely to see in the theatre. Dereck dereck Productions, a company formed last year by two performance arts graduates of Middlesex Polytechnic, revels in the mar-vellous space offered by Isling-ton's Almeida Theatre— whether wafting a white handkerchief from the high ceiling or fishing a man bodily up through a hatch in the floor; peering through binoculars on a balcony half-way up the back

In the interval, two hours into three sections (as this into this 34 hours epic, there production was, before time was an earnest discussion beconstraints forced them to

sadder and—one presumes wiser man. The poem was originally con-ceived as a film scenario, giving

ceived as a film scenario, giving Dereck dereck designer/directors Phelim McDermott and Julia Bardsley the perfect toehold for a production that uses music ranging from Vaughan Williams to Eno to create a filmic sense of changing tempo and genre. The bizarre and surreal are underpinned with a detailed social observation that is strongly reminiscent of Dylan Thomas's Under Milk Wood.

Three - and - a - half though, is a long time to keep an audience sitting, especially when large tracts of the show appear to be little more than a rake's progress. A little more cut and a little less thrust would render the wall or sitting mattly down in more cut and a little less the front row of the audience. thrust would render the The poem itself runs to undoubted riches of this young nearly 200 pages and is divided company a lot more digestible.

#### Sinfonietta Voices/Bloomsbury

#### Max Loppert

bigonisous and refreshing choral a coherent liturgy." The effect compilation by the London of the work is not at all in-Sinfonietta Voices. Nigel coherent, however, because the Osborne's three-part Choralis musical images recur repeatedbegan and ended it and provided the middle point; there were also two movements from the Byrd Mass in ments from the Byrd Mass in Four Parts, and a happy sequence (its first part lightly acted) in which Gibbons' Cries of London was immediately followed by Berio's. In all the works, and whether given by six singers or eight, the performances displayed the best kind of virtuosity—so reliable and so exactly focused upon the music one can't say exactly focused upon the music one can't say exactly focused upon the music one can't say exactly focused upon the music that after a while one took it for granted.

Jonathan Lloyd's Mass for Six The Sinfonietta Voices' tour variable offering. In a Bristol, ending in Brighton

Lloyd's voice-writing makes of the soloist the piece calls for a little virtuosity and much lyrical tone. Lorraine McAslan had already displayed plenty of both in her brilliant Saint-Saëns sonata before the interval. But the new work sequences prove as "consecutive "as they Go, but that too is part of the work's fascination. The Sinfonietta Voices' tour warmth as it moved into the longest single offering. In a Bristol, ending in Brighton

The autumn season of the programme note the composer Contemporary Music Network writes of having celebrated the began on Tuesday at the unfathomable in an evocation Bloomsbury Theatre with an of isolated images in place of ly, in ways that deepen their connective (and effective) sense with each hearing; and because Lloyd's voice-writing makes of each image a most beautifully

#### Galleries/Roy Strong

# Portraying beauty in the beast

I am just back from Venice and couldn't help noticing yet again the beguiling presence of cats peering at me in every calle. Yet the Venetians produced no great cat portraitist.

Poor cat, always a despised non-U creature, except by Stubbs who painted a delectable. Stubbs who painted a delectable litten on a velvet cushion. What a contrast with the British outpouring on the subject of the horse and the dog, spanning two centuries from the Restoration to the opening of Victoria's reign. What a measure of the minds of the ruling classes whose servants' quarters were cramped and miserable while across the way from the great house arose the snable block and kennels, executed as an animal version of the Ritz.

Whose portraits went up on

whose portraits went up on to the walls of the house after that of the owners and their patrons but those of their horses and dogs? Whole entrance halls, such as those at Badminton and Althorpe, are papered with life-size delineations of horse flesh and the course as the owners saw it of tions of horse flesh and the joys, as the owners saw it, of hounding poor creatures to their doom. Servants only exist in British art as attendants on their superiors, who include the horse. They hold the horse by the bridle, offer it oats, exercise it, victually touching the forelock to these sleek beautiful creatures, cosseted and groomed to perfection, and forming such a sharp contrast to their own shabby ill-fitting clothes and careworn faces.

clothes and careworn faces. No other nation has produced No other nation has produced such a visual outpouring on this subject. The saleroom never lacks for examples, nor does the market for them ever evaporate. This is hardly surprising, for the leading exponents of the art. whether Wootton at the opening of the 18th century, or Herring 100 years on, maintained virtually factory production. churning them out, as some of their quality all too often reveals. One can love them for their unpretentiousness. There is no desire to scale the aesthetic heights, but ness. There is no desire to scale the aesthetic heights, but solely to execute a marketable product, an owner's horse or dog in a setting evocative of

eyes that overtones of the erotic are not far away.

Lorraine McAslan/Purcell Room

Richard Fairman

A new work by David the temptation to play every Matthews held the centre place in her Purcell Room recital on Monday. Entitled Aria, it has the form of a vocal set-plece. The violin suggests a human voice, practising scales, trying one mind. It was probably from out a cadenza, vocalising a him, one suspects, that the



A gentleman, his hound beside him, holding his chestaut hunter outside a stable, by John Wootton-with an attendant at a respectable distance

can stage an Annual Exhibition is removed and we enjoy the of Sporting Paintings (until beauty of the beast and join in November 15) sums it all up. It its joyous movement through would not be staged if there the landscape. Two greyhounds were not a permanent demand. were not a permanent demand. The horse after all remains a status symbol, like a picture, and the two combined must have the peculiar appeal. And to have a real horse in the age of the motor car is even more an indicator of wealth and prestige. As in their own age they are combinations of friend and capital investment, creatures for racing and breeding. So for racing and breeding. So alluring can these horse por-traits become in terms of slip-pery sleekness and come-bither

scale the aesthetic heights, but solely to execute a marketable product, an owner's horse or dog in a setting evocative of its own environment.

We shouldn't over-romanticise elevation enhancing his right to these images. The hunt after all the dotter of the dotter all the dotter of the dotter of the dotter of the dotter of the point and so utterly part of us and so utterly part

him, one suspects, that the impetus came to turn so many

of the fortes into fortissimos. The last movement of the

Brahms, delivered con motto brio, caught them both at white

background on one dog portrait but we are spared its cry and hideous death. The stag flees into an idyllic distance before horse and hound in a panorama by Wyck and we don't have to

appeal of some of these pictures, the depiction of a moment en route to murder? The pictures speak of pride of possession. The owner is lifted up on the back of his hunter to traverse his lands, his

that of its rider. Debrett is still refered to as the Stud Book, epitomising an attitude of the establishment classes to breed-

establishment classes to breeding both in men and animals which lingers to this day.

Horse pictures are part of the iconography of England.

Can it be a coincidence that this genre died with the spread of the railways when the borse gradually ceased to be the only mode of land transport? Apart from racing and the hunt, the borse rapidly declined in population to become an expensive toy. With the massacre of cavalry in the First World War it lost its connotations of miliwitness the final encounter of dog and prey, knife and blood. Or was that once part of the it lost its connotations of mili-tary prowess and glory. Look at this pictures, so delightful and so utterly part of us and

#### Corporate art collecting

String players are comparatively modest as a breed. While playing, it would be the companists often take to writing virtuosos music to show off spontaneity. A piece like their own talents, string players brahms's D minor Violin street to commission works from other commosers — a tradition being adventurously upheld by the young violinist, Lorraine McAslan.

A new work by David feature that distinguishes her playing, it would be the comparative and lively spontaneity. A piece like Brahms's D minor Violin Sonata holds no technical problems for her. So all her energies can be channelled into a reading of urgent romantic power and ardour, each phrase bristling with characterisation. Indeed he has been largely responsible for acquiring over the last six

comparison.

Now the money has been spent and Unilever has the finest corporate collection of

#### **Antony Thorncroft**

In a few week's time Mr Cob £2,000; the great majority Stenham leaves Unilever, where around £700. While Mary Rose he has been a full board director, to become chairman of the abstract, Stenham has favoured non-American part of Bankers' the figurative. Both were buy-trust. His presence will remain in Unilever Rouse in the form of 200 works of art by contemporary British artists which he has been largely responsible for acquiring apar the last six.

Among the great majority 2000; the great majority 2000. While Mary Rose he abstract, Stenham has favoured abstract, Stenham has favoured in abstract, Stenham has favoured the figurative. Both were buy-trust. His presence will remain in Unilever Rouse in the form art was making an impact on the world. The collection will have already appreciated in value markedly.

Among the great majority 2000. Among the early purchase

Stenham, a great believer in Stephen Farthing, John Bellany modern art, was able to per-suade his colleagues to set aside £250,000 to form a company collection in 1980 when Unilver House was being extended and renovated. The renovation was to cost more than £20m so the 1,300 employees can see them renovated to decovering the renovated. The renovation was paintings on display where the to cost more than £20m so the sum allocated to decorating the sum allocated to decorating the rather than hide them in executive offices. Not all the works were warmly welcomed — a
Kitaj had to be removed
because of moral objections,
and a large canvas by Ana

wexford's "Tancredi"

comes to London

Wexford Festival's new production of Rossini's Tancredi
will be seen at the Queen Elizabeth Hall on the South Bank on November 4.

Tancredi is produced by Michael Beauchamp with the Radio Telefis Eireann Synamony Orchestra conducted by Arnold Ostman. The title role will be sung by Kathleen Kuhlmann.

Since to corporate collection of contemporary art in the dountry. For the first two and a large canvas by Ana Maria Pachecho is accompanied by an explanation to deflect criticism.

What is extraordinary is that Unilever, albeit in a cautious way, should be one of the very way, should be one of the very contemporary art. De Beers, NatWest, British Airports and a lot of wall space to be embellished, but he took what seems the sensible priorities of going for original works of art by young British artists. Some of the paintings cost more than

October 24-30

Bertokio di Giovanni, Andrea Brios-co, and Alessandro Vittoria. Ends Nov 30.

hov 30.

In the horn Museum: More than 130 paintings, sculptures and drawings from a 5,300 donation by the museum's founder Joseph H. Hirshborn on his death go on view with

works by major contemporary artists including Illem Koming, Arshile Gorky, Frank Stella and Henry Moore. Ends Nov 16.

Chicago Historical Society: Louis Sul-livan, a seminal figure in American architecture, is celebrated in an ex-

ment in the enty he made architecturally famous with newly made models of his buildings along with drawings, sketches and building fragments emphassing his use of ornament. Ends Dec 31.

Muremachi period (14th-16th century) acrolls and screens. A fine exhibi-tion of some of the most representative art of the period collected by samurai Ohta Dokan. The museum

is the former home of a prince of the Imperial Family. In Art Deco style

and designed by French architect, Henri Rapin, complete with its abundance of deco fixtures and fit-

abundance of deco fixtures and fit-tings, the bouse is worth visiting on its own account. Take advantage, too, of the secluded gardens – both Western style with lawns and the Japanese, a strolling garden with carp pond. One of Tokyo's few cases. Tokyo To-Teien Museum, Meguro. Ends Nov 9. Closed second and fourth Wednesdays.

hibit in the city he made archi

#### La Traviata/Covent Garden

#### **David Murray**

out a Violetta is a non-starter.
Lucia Aliberti, whose engagement for the role must be the result of some mad whim, is a non-Violetta on a breathtaking, comprehensive scale. Breathtaking is just one of her problems—but perhaps it will be better to discuss other things

first.
The production is the old Vis-The production is the old Visconti black and white one, restaged again by Michael Rennison. The conductor, Yuri Simonov, aims at firm, deliherate lines: every big string-tune was projected like Rakhmaninov, and there were poster-size "nuances" in both preludes. The bass-lines came in heavy boots, so that the dotted-note The bass-lines came in heavy boots, so that the dotted-note underpinning for the reprise of "Dite alla giovine" almost concealed Miss Aliberti's horrid non-elision between the first two words. Simonov drew out postludes most insistently, though even that falled to trigger Pavlovian applause as often as intended.

as intended.

His compatriot Luri Masurok is the new Germont père cultivated and indeed dandyish. Not much warmth, but his "Di Provenza il mar " was elegantly delivered; the interesting quasitenor quality of his baritone gives the voice a fine cutting edge. The new Alfredo is Arthur Davies, who must be as tired of edge. The new Alfredo is Arthur Davies, who must be as tired of being labelled "Italianate" as basses are of the epithet "sonorous" — but he is equipped for Italian opera far beyond any other British tenor (he is of course Welsh), and he is must

On Tuesday the Royal Opera sensible things on his own), season began with Verdi's La because Miss Aliberti must be Traviata; but a Traviata without a Violetta is a non-starter. smiled for the briefest Lucia Aliberti, whose engagement, I must have blinked: a more charmless, gauche, dot-tily self-absorbed demi-mon-daine at her own party could hardly be imagined, and since she never looked at Alfredo, it seemed unlikely that she would recognise him next time. Her acting was exclusively of the windmill lik, arms flapping high for every top note (two flaps for a repeated note).

Miss Aliberti is accounted a tolerable Lucia di Lammermoor: though her upper-middle register is harsh, her diction colourless and her pitch un-reliable, she has good, free, confident top notes. One of those was the sole virtue of her "Addio, del passato," otherwise a woozy travesty, for by then her habits of falling behind the beat and scooping up to notes from below had gone beyond

decent comment.

The Royal Opera claims a large part of the Arts Couna large part of the Arts Council budget on the ground that a "centre of excellence" should be maintained, even at the cost of excluding most taxpayers (the several hundred best seats are priced for everything at £40 each, the cheaper ones are wildly over-subscribed for anything familiar with a reall-known east). There are for anything familiar with a well-known cast). There are arguments for making great opera with international names available to most of the public, and arguments for deciding that opera-lovers who lust after expensive voices should pay the full commercial rate themselves, The Royal Opera case falls limply between those stools, This grisly, expensive Traviata should never have course Welsh), and he is musically scrupulous about style. Not solly his bright, un-forced fimbre but the refined details of his singing line gave constant pleasure. "De' miei bollenti spiriti," almost too relaxed, had a polished grace that was irresistibly taking.

Dramatically, the Davies Alfredo awaits a genuine partner (on Tuesday he did mild,



Lucia Aliberti and Yuri Masurok

#### Extemporary Dance/The Place

#### Clement Crisp

There is an earnest note in the programme for Extemporary Dance's latest offering, which makes much of the "liberation from all oppressive systems of operation" which is the creed of New Dance. That New Dance—which is not as new as all that—abjures "traditionally stylised dance techniques" is obvious in this evening of two creations by Laurie Booth and Steve Paxton, as the dancers touch, clutch, and fall into little heaps. They romp inexorably, showing us fragments of movement, hints of games, and only interest the musicians, garbed soften. They rome inexorably, showing us fragments of movement, hints of games, and only interest of games, and only interest in the comment into a choreographic pattern.

Mr Booth's Elbow Room Game finds the cast of six running about, their manner often aggressive, and at least the choreographer has passed on to his dancers that energy which so distinguishes his own performances. At its best the movement has the desparate fever of ecstatic dancing; at its least convincing it hammers away at simple ideas.

In Steve Paxton's Audible Scenery the musicians, garbed

ment, hints of games, and only in the case of Tam. a Thai as for Devil's Island, provide dancer, did I discern last night the well-argued disciplines of technique to sustain the thin matter of the movement.

If technique is explored to the control of the movement is supported by photographs of sportsmen. The movement is dully symmetric and I see the control of the If technique is eschewed, so ment is dully gymnastic, and I too is the sense of dynamic purfound it tedious in the extreme.

#### Saleroom/Antony Thorncroft

The estimate was up to at Christie's. One pair, of £15,000, but there was little Bohemian Royal percussion foubt about the quality of the target pistols made in Prague picture. The fact that it sold in 1833 by Lebeda, once owned well is encouraging for Old by the first Duke of Cambridge, Masters because its subject mat-

dealer.

Sotheby's did quite well selling good, but not brilliant, Old Master paintings yesterday, making £971,355 from the morning session, with 14 per cent known, but he is obviously unsold. A large painting (69 by 101 inches) by Johannes Fyt was the star of the show making £66,000 to the London dealer Johnny van Haeften, who had to compete with a continental dealer.

Two pairs of still lifes of fruit and flowers by a Spanish artist, now known as G. del Vallejo. He was previously uning session, with 14 per cent known, but he is obviously talented. A view of Nuremberg by Wilhelm von Bemmel, which was discovered in an attic by Sotheby's Taunton rep, forecast.

Masters because its subject matter; "Diana and her handmaidens with hounds" (and a
pistols by Le Page, reputedly
plethora of dead game) has
until recently deterred buyers, acquired after Waterloo by
Another still life, which in23 000 to Finer the London cluded dead birds, flowers and £33,000 to Finer, the London grapes, by Frans Suyders, sold dealer. They had belonged to for £35,200, and the same price the late Basil Boothby.

# Arts Guide

Venice: Palazzo Ducale: China In Venice: Chinese Civilisation from the Han Dynasty to Marco Polo (25-1279 AD): 150 objects, including silks, brocades, jewellery, terracotta figures, glass and porcelain lent by the Peking Museum, Many result from propert expansion, and most

from recent excavation, and most have never been out of China. The exhibition covers the main period of Chinese art, and the objects found in tombs, buried with the owner for

his use in the hereafter, shed a fascinating light on life in the period. Ends March 1987.

Rome: Palazzo dei Conservatori: Cam-

pidoglio: 74 sculptures by Degas – al-most all from the San Paolo Mu-seum in Brazil. The sculptures were

cast in bronze between 1919 and

LONDON

Exhibitions

Music/Monday. Opers and Ballet/Tuesday. Theatre/ Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Prancols Boucher: the 86 paintings and 25 drawings of his first major retrospective re-create the pastel-coloured world he peopled with voluntuous goddesses and Shepherds. Premier Peintre du Roi, a favourite and friend of Madame de Pompedour. Boucher personified the lighthearted charm and seduction of the Louis XVth Period. His pastoral and myth-XVth Period. His pastoral and myth Avin Person, his passura and myurological scenes reproduced by engravings, tapestries and on Sevres porcelain spread the influence of French court art all over Europe. Grand Palais, closed Tue, Ends Jan 8th 1429 5410

Grand Palais, closed Tue, Ends Jan 5th (4289 5410). Broeghel dynasty: the blend of crude realism and poetic vision proper to the Gobien Age of Flemish painting is shown in the confrontation of the two Brueghel brothers, Fister the Younger and Jan the Elder. Galerie d'Art St. Honoré, 267, Rue Saint Ho-poré (4209 1503). 1922 by Degas's artist friend, Bar-tholome, from wax models left in the studio after Degas's death in 1917. Ends Nov 25.

The Royal Academy: Je Suis le Cahier - the Sketchbooks of Picasso. It is in an artist's sketchbooks and notebooks, even more than in his draw-Resear: Villa Hügel: The chairman of Krupp, Dr Berthold Beitz, who is al-so head of the private Ruhr cultural ings, that he demonstrates the true nature of his ideas. Without thought of any public role or statement, with no reason to think anyone will see his work, he is free to obsave and work on variations upon his theme entirely as he chooses. When the artist is a very great one the crea-tice discovery is entite timely see tive discovery is quite simply en-thralling. Picasso left some 175 sketchbooks from the mid-1890s to

the late 1960s, until now never shown in public. Organised by the Pace Gallery of New York and sent on tour by American Express, it con-tains work from 45 of the books. Ends Nov 19.

#### PARIS

noré (4260 1503).

#### **WEST GERMANY**

institute, was the moving force behind this exhibition, helped by Mr Erich Honacker, the East German leader. The Villa Hügel, 114 years old, has been redecorated for the exhibition. This is the first show orga-nised by the institute, founded three

state cultural collections. The eight royal collections are presented sep-arately with characteristic master works. There is also one of the oldest and most complete coin collec-tions in the world and a huge collection of arms and copper engravings by Boucher, Chardin, Piranesti and

theme in different registers.
This basic idea is ultimately

the main attraction: neither melody nor harmony holds much interest until the final bars, where the music finally gropes its way towards a mysterious D minor ending.

by Boucher, Chardin, Piranesti and Tiepolo. The picture gallery includes works by Titlan, Poussin, Velas-quez, Rubens, Rembrandt and Cra-nach, Ends Nov 2. tastigart, Wurttembergischer Kunst-verehn: Artists in Germany from 1900 to 1945 represented with 200 pictures and scalptures. Ends Nov 2. fineben, Neue Pinakothek; King Ludwig I as a collector: A photogra-Ludwig I as a collector: A photogra-phic exhibition commemorating the 200th anniversary of his birth. Ends Nov 23. Frankfurt, Schirn Kunsthalle und

Frankfurt, Schirn Kunsthalle und.
Kunstverein: Prospect 86, This exhibition shows the turning away from expressionism with 100 artists from Enrope and the US represented. All works were done this year and include artists such as Rob Scholle, Salvo, Donald Baechler, Christa Näher, Miquel Barcelo, Anthony Goranley and Luigi Stoisa. Ends Nov 2.

#### NETHERLANDS

Some of the finest Dutch Old Master drawings from the Leiden Printroom are touring Europe. The main emphasis is landscape, but all genres are represented. It includes a Roman study sheet by Jan Gosse-ert and two allagories by Abraham Bloemaert. Ends Nov 2.

Krupp Foundation. The treasures
from the period 1894-1783 of great
Electors are on loan from Dresden's

Hearlem, Frans Hals Museum. In
Search of the Golden Age comprises
70 paintings, watercolours and 70 paintings, watercolours and drawings from 1800-1850. Ends Nov terdara, Historical Museum. The

Amsterdam, Historical Museum. The Taste of the Elife focuses on Amsterdam's rich merchant class and its influence on art and culture as part of the celebration of the 16th century currently taking place in seven Dutch museums. Ends Dec 7.

Zanaken, Stedelijk Museum. An exhibition commemorating Sir Philip Sidney, the "flower of English chivalry", who died 400 years ago attempting to liberate Zutphen from the Spanish. Ends November 9.

Eindheven, Van Abbe Museum. Currently drawing a record number of

rently drawing a record number of visitors to the 50th anniversary Eye visitors to the 50th anniversary 'Eye level' exhibition of its entire collection. The 1,500 works read like a roll-call of modern art, from Chagall, Kandinsky, Braque and Picasso to Klein, LeWitt, Baselitz and Kleier. Ends Nov 9.

The Hagne, Gemeentemuseum: a display of 50 pieces of modern glass from the museum's collection. Ends Nov 9.

Dian - a submerged kingdom of China: According to the organisers this is the first exhibition in the west of treasures from the Dian Kingdom, which existed more than 2,000 years ago in south-west China. Unusual and spectacular gilded bronzes were discovered only 30 years ago in Dian burial grounds. Exhibits include burial grounds. Exhibits initially and animals, showing scenes of war, dance and celebration. Also on show are weapons, tools, musical instruments, agricultural and weaving equipment, bronze drums and jewel boxes from what must have been a vigorous culture. Museum of Man-kind, Neue Hofburg. Ends Nov 23.

Madrid: Pablo Picasso in Madrid, 46 oil paintings, seven sculptures and 5 drawings on loan by painter's widow Jacqueline, from the painter's pri-vate collection including Nu Debout of his blue period, a sketch on Guer-nica and one of his last pleces Mousquetaire et Personnage. Museo Espanol de Arte Contempor-aneo (MEAC). Avda Juan de Orduna

Brave Carnegle Hall: While Carnegie Hall is being renovated, the exhibi-tion space at the Performing Arts Library at Lincoln Center honours Library at Lincoln Center honours the venerable venue with original architectural drawings and cut-away models along with a tribute to violinist Isaac Starn, president of Carnegie Hall, and memorabilia like the original programme of 1901 and the original programme of 1891 and other programme covers. mermaticatal Center of Photography: David Hockney's photo collage show, called A Wider Perspective

#### consists of vistas captured in serial photographs put together with play-fulness by the artist. Three films of interviews are also on view. Ends

WASHINGTON National Gallery: Viennese Renalssance sculpture from the Kunsthisto-

#### **FINANCIAL TIMES**

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Thursday October 30 1986

# Standards for global bankers

agree on the same minimum capital standards for all banks which do business across inter-national borders is both logical and sensible. In the global marketplace, where the world's largest banks engage in heated competition, it is right from a prudential point of view that they should all pass similar tests of soundness and, from the point of view of competitive fairness, that they should all bear the same minimum capital

No one should underestimate, however, the enormous prob-lems which supervisors face in setting up what are likely to be the first world-wide regulatory the first world-wide regulatory standards for a single industry. Indeed, it is possible that they may even fail in their task because of the strongly entrenched interests of national banking industries, and their widely differing practices. It has taken supervisors more than a decade of regular contact through such channels as the Basie Committee to get this far, but the speed of change in banking is now such that they cannot allow another ten years to pass before they

#### Highly exposed

Supervisors are unlikely, for example, to receive much encouragement from bankers themselves whose only interest—understandably—in global regulation is to ensure that none of their competitors gets a head start. For many banks, global regulation will mean only one thing: higher capital they the thing ingher capital requirements, and therefore higher operating costs. And supervisors cannot be totally dear to their case since banks national authorities set a higher capital requirement than the agreed international

capital. But does it also include debt capital which may not have

This might be an opportunity deliberately undervalued assets, as they do in many Coninternational agreement is also needed on the level of loan loss provisions that should be made to meet a common threat, such as a defaulting sovereign borrower. Already the growing divergence between the provi-sioning practices of banks from various countries is dividing them into those which remain keen for a solution to the Third World problem because they feel highly exposed, and those for which it is becoming a matter of indifference because they have written off a lot of it.

Whatever the practical diffi-culties, supervisors will do best by concentrating on the essence of an agreement, the aim of which must be to inspire more confidence in the international banking system than exists at the moment. For although most of the world's largest banks have increased their capital by large amounts since the Third World debt crisis broke in 1982, that has probably done no more than offset the increased speed with which the shocks of bank failure in one country can damage innocent banks in an-

#### Risky borrowers

other one.

Supervisors should avoid giving the impression that simply because all international banks become subject to the same capital requirement, the dangers of the international must make adequate returns to dangers of the international sustain healthy growth. Yet banks in heavily regulated countries will complain if their dard would probably have little dard would probably have little meaning unless it was backed up by other measures to pre-vent bankers abusing it by, for minimum.

At a practical level, supervisors must agree on precise definitions of capital; clearly it includes equity capital and reserves since these are a bank's "own funds" which are permanently available to absorb

# The reshaping of an industry

removal of protective tariffs, it is better to leave the adjustment process to the market than helped by the fact that large to seek to cushion or guide it parts of it were owned by through government intervention. This is the rather surprising lesson from the British paper and board industry, which paper and board industry, which is tust emerging from two sidiary which has shown a

in the story of the conditions are right to bring story as the stamps, he says, force a concernant to the more story of the accordance to the early of the accordance to the proport competition can be avoided or beaten back. Capacity for high-volume grades which are most economic and part of the story of

have been expanding their capacity by investment in plant and by acquisitions. Thus Davidsons, a subsidiary of BPB
Industries, has become the industry and to revive it third largest producer by conrequires, above all, entreprecentrating on waste-based pack- neurs and managers who can aging board and on two sites (a see clearly what the opportunithird was added this year by purchase from Unilever) which have been continuously modernised. Davidson's constant private sector which are presented and managers who can see clearly what the opportunities are and how they can be purchase from Unilever) which are private sector which are presented and managers who can see clearly what the opportunities and managers who can see clearly what the opportunities are and how they can be purchased. It also requires and managers who can see clearly what the opportunities are and how they can be purchase from Unilever) which are provided and the opportunities are and how they can be purchase from Unilever) which are are and how they can be purchase from Unilever) which are applicable of the provided and the opportunities are and how they can be purchase from Unilever) which are provided and the opportunities are and how they can be purchase from Unilever) which are private sector patchy performance of Unilever, which, through Thames Board patchy performance of Unilever, judgment. These conditions which, through Thames Board appear to have been satisfied Mills, used to be easily the in the paper industry.

WHEN AN industry faces a largest board producer; its sole sudden change in its competitive position, through the grated board mill at Working-removal of protective tariffs, it

quality and service to the customer. Reed, whose capacity has halved since 1966, has switched mainly to grades based on indigenous waste paper.

Yet although Bowater and Reed are still the country's two largest papermakers, the most interesting developments have come from new forces which have been expanding their capacity by investment in plant and by acquisitions. Thus conceived. The worse example was the Fort William project was the Fort Willia

# T WAS always a nightmare has increased in some previous that the symptoms of overheating — rising inflation, down rapidly. It is a fatal mistake, however, to suppose that because we do

at a competitive exchange rate not know enough to set a target
—might develop with over 3m for broad money or credit—as
unemployed; and now the nightthe Governor of the Bank of mare stands a chance of being England has just explained—its The Treasury is quick to point

debt capital which may not have our that only a few weeks ago to be repaid for many years and all the talk was about the pause even, in some cases, never at in economic growth and how all? Treasury-type forecasts for supervisors to address the question whether banks should continue to hold part of their worth in hidden reserves or capacity, but in real life the economy moves in fits and starts.

Just as the world boom sup-

just as the world boom sup-posed to be unleashed by the fall in the oil price never materialised, so the moderate growth expected over the next 12 months is unlikely to occur. There will either be another disappointment or an excessive spurt. The spurt would be more obvious if forecasts focused on demand—whether nominal or real— rather than GDP so that the part which could not be met from UK output was also measured. The main evidence of over-

heating does not come from the money and credit figures, for the simple reason that we have no idea what are the safe rates of growth for the various aggregates.
So called narrow money—MO
—if of no economic significance.
It is nearly all notes and coin,
the size of which may reflect,
but does not cause, or indicate
in advance, movements of inflation advance, movements of inflation and activity. Any indicator

tion and activity. Any indicator will have struck lucky if the

Sterling's slight improvement cannot be relied upon

night periods are chosen; but without a causal theory it is worthless. The comparison with German "central bank money" is highly misleading. The German banks, unlike the British, are forced unilike the British, are forced to maintain substantial minimum reserves at the Bundesthank, and these reserves account for half of central bank money.

Thus it operates as a sort of monetary base, which the Bundestor bank can use for monetary control. But even German central bank money has proved a bad indicator—like other such indicators world-wide—because of an unexpected fall in velocity.

The kind of meney that counts

The kind of money that counts in the UK is the sort of thing that people hold in banks and building societies. This is that people hold in banks and building societies. This is equally true whether we look at the liabilities side and think of it as a cushion of spending power, or look at the assets side and think of the injection of credit into the economy. The widest measure of liquidity has increased by 14 per cent in the last 12 months—not very different from the rate at which it compensate for this.

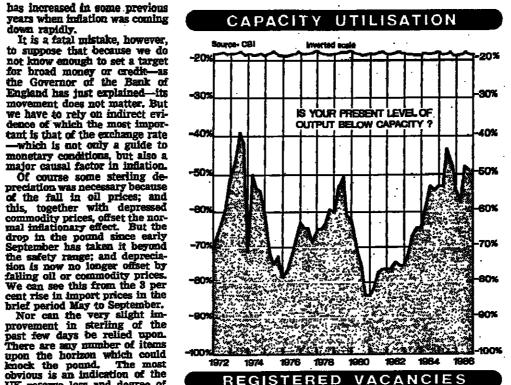
I wish somebody would tell which is far from clear at present. Any beneficial effects on interest rates will come through the reduction of inflationary expectations and of the risk premium on sterling once credibility is established, which will be a gradual process.

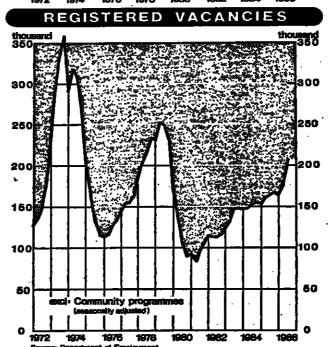
There are some economists who put not so much emphasis on exchange rates as on the

#### **ECONOMIC VIEWPOINT**

# Thatcher's gamble with inflation

By Samuel Brittan





lid that is thereby put on infla-tion. The lid is imposed quite directly by holding down press of imports and import-competing domestic products.

Even more important, a known sterling parity will do more than anything else to dampen down wage increases by making clear that employers who award them will not be bailed out by devaluation-

mortgage boom. The latter is dangerous as John Muelibauer pointed out in the Financial pointed out in the Financial Times on October 23 because it drives up house prices especially in the south east, feeds wage pressures, and reduces mobility. It also leaks very seriously into consumer lending and thus raises the lend of interest when received level of interest rates required to balance the economy.

Unfortunately, action either to put a floor under sterling or to plug subsidised mortgage lending to consumers is blocked

ther increase in the £30,000 is usually a symptom of some celling for mortgage interest re- other malaise. lief, whatever the Prime Minister may demand, and licly stand with him.

But to come down (reluctantly) from the need for Cabinet Government to the indicators of domestic overheating. The CBI Survey shows a healthy upturn in expected new orders, and in investment as well as consumption. Nothing wrong with that, if only industry could cope. Consumer spending in the

Consumer spending in the third quarter has risen by approximately 5 per cent over a year ago. The annualised increase over the second quarter—for what little that calculation is worth—is 6½ per cent. Consumer spending is not inherently wicked. The CBI should not moan about consumption specials in imports when its sucking in imports when its own report admits that the import content of manufactur-ing investment is just as high— in both cases 45 per cent. Conmainly as a component of The trade figures are relevant

here. They show that the £1.15bn current deficit (not annualised) incurred in the third quarter mearted in the third quarter tion in the non-oil balance. Export volume "excluding erratics" was 3 per cent up on a year ago; but imports rose by 8 per cent with nearly all the increase in the third quarter itself. The CBI survey suggests that more export increases are the pipeline but expects a £1.7bn current payments deficit next year because of rising

imports.

The indicator which has impressed me most however is the sharp rise in vacancies (only a fraction of which are recorded). They are up 50 per cent on a year ago, and are now twice their level in the 1981. recession, and not far short of the levels reached in the midwhen unemployment was

Again I wish the vacancy rise were a sign that unemployment was about to be mopped up by a growth of output at above trend rates. But I fear that it is more likely to signal wage inflation and import penetra-

The vacancy data should read in conjunction with the CBI's in conjunction with the CBI's chart showing a level of capacity utilisation as high as at the 1979 peak and not much below the peak of the Barber boom. The main indicator to be set against the overheating diagnosis—and it becomes important at high interest rates—is the CBI question showing an the CBI question showing an accelerating desire to run down stocks. The main hope on the balance of payments is that invisibles may be rising more than conventional forecasters

lending to consumers is blocked by the obstinacy of one woman, who also professes that inflation is immoral.

At the very least I hope that the present Chancellor—unlike Sir Geoffrey Howe in 1983—will refuse point blank any fur-

In a period of falling oil moderate net oversess borrowing on the scale foreseen by the

CBI, or slightly higher, to finance the rebuilding of capa-city; but the essential proviso is that the EMS or some other arrangement should put a floor under sterling. If this were there, fiscal policy could be used to maintain growth of Nominal GDP at the new rate which would then be appropriate inside the EMS. But without an exchange rate floor, with masses of subsidised credit and the magningful magnitude. no meaningful monetary guidelines, I see mainly rising infla-tion ahead with perhaps a moderate short-lived fall in un-employment, which may or may not impress the voters. The biggest illusion of all is that after the election—which is not due until 1988 and can-

is not due until 1988 and cannot honestly be held before—
Britain can safely joint the
EMS. By then the underlying
inflation rate will have risen
—who knows whether to 5. 6,
7 per cent or more — and the
pain and recession required for
sterling to remain stable against
the D-Mark will befar higher
than today. than today.

The Treasury view that underlying inflation will stay in the 3 to 4 per cent range is based on an under-estimate of the effects of sterling depreciation, which under "the law of one price" is not confined to interest but effects of sterling depreciation, which under "the law of one price" is not confined to imports but affects all traded goods and works through to pay and eventually to the non-traded The best measure of sterling's depreciation for the past year

The illusion of post-election EMS membership

is sterling's 25 per cent fall against the D-Mark (and I am deliberately disregarding the much bigger fall from the 1985 peak). Even on the trade-weighted index the fall is 14 per cent. From now on the index will come into its own. And if a model-based estimate will make anyone happier, the Item Club claims that a further 5 per cent effective depreciation of sterling would raise UK prices by L3 per cent in the first year, L4 per cent in the second and L3 per cent in the third, making 4 per cent in all. The Treasury's own simulation is very similar. Domestic overheating is a possibility and not the end of the world. But rising inflation, greater than any published official forecast if a floor is not put under sterling, is a near certainty. The CBI remarks: "The Chancellor will need to spell out his exchange rate

# Tompkins revives

A familiar voice will come over the telephone to one and a half million American homes over the next few days. "Hi," it will say, "this is Ronald Reagan..." say, "this is Ronald Reagan..." This year's mid-term election campaign is probably the most high-tech, certainly the most expensive, congressional election in American history. The money is changing the way campaigns are conducted, and it is the richly-funded Republican Party that is making the

# **Men and Matters**

a recorded message, just under a minute long, in which the President will first apologise for interrupting the family at a busy time, adding that he has been busy, too—out campaign-ing for Republican candidates. Using a computer, the Re-publican Party has selected from the voter registration rolls, hundreds of thousands of Re-publicans whom it hopes to motivate to go to the polls, in part by using Reagan's per-

UK reserve loss and degree of Bundesbank support—the latter a piece of information that could slip out at any time.

Another land mine is increasing mortgage rates, which will take the Retail Price Index annual growth rate from a low

annual growth rate from a low of 2.4 per cent in August to perhaps 34 per cent or more before the end of the year, and thus reinforce expectations that inflation is taking off again.

On the horizon, too, are unconvincing public spending limits for next year and an indemnate continuement reserve.

adequate contingency reserve emerging from the Star Cham-

ber, which by a funny coincidence has this year an

anti-Treasury majority. And I can see the teachers' settlement

going down like a bomb in the going nown like a bomb in the foreign exchange market. A vicious cycle of falling sterling, higher base rates, feeding into rising RPI and still weaker documents.

sterling is at least a 30 to 40 per

All these retreats will be rationalised in the clubs and institutes of London by the

army, not of CREEP (the notorious Campaign to Re-Elect

apparent floor. Even 11 per cent base rates may not be able to compensate for this.

I wish somebody would tell

suasion.

Turning out the vote is one of the key elements in Republican campaign strategy. In the past, it has done best when fewer rather than more voters went to the polls. But now, it believes, it can better identify its supporters and motivate them. Old style phone banks, in which serried ranks of volunwhich seried ranks of volun-teers used to sit for hours try-ing to stir voters into action, are now disappearing. With more money to spend, the par-

more money to spend, the parties are turning to professional telephone advertising concerns for the service.

Employees, many of them hard core Democrats, are making perhaps as many as 11m telephone calls during this year's campaign, urging Americans to turn out and vote Republican, just as they might encourage them to take out a loan for a car or buy a new magazine.

#### French lessons The French are wryly wonder

ing what has happened to the legendary Anglo-Saxon phlegm after what are regarded in Paris as unduly over-excited reactions in Britain and the US to two big "affaires" of the moment

First there has been surprise over the apparent near-panic in London about the funding of the Channel Tunnel. The British Reagan, of course, will not be sitting in the White House making those calls. His will be

The other issue which has raised French eyebrows has been Washington's attitude to the CGCT affair. The French government is to choose an government is to choose an international partner for CGCT, the country's second largest, but troubled, telecommunications manufacturer, opening up 16 per cent of the French public telephone exchange market.
Washington and AT & T have been waiting for nearly two years for the green light from

Paris for a deal which seemed certain to favour the big American company.

But lately Siemens of West Germany, in particular, and Ericsson of Sweden have emerged as serious contenders.

Washington has brought out its biggest and clumsiest guns in a bid to secure the deal.

its biggest and clumsiest guns in a bid to secure the deal. Joe Rodgers, the American ambassador, has been lobbying ferociously in Paris. Malcolm Baldrige, US commerce secretary, and Clayton Yeutter, the trade representative, have joined in the fray. Now one of Yeutter's aides, Alan Woods, is reportedly on his way to Paris.



"May as well give up

The Americans have hinted The Americans have hinted, too, that if AT & T fails to clinch the deal, they may have to re-examine their decision to buy Rita, the French mobile radio system, which the US army chose instead of the British system built by Plessey.

"It's quite ridiculous to use such threats," said one high-ranking French official. "It is unlikely to influence the government; it is more likely to put ment; it is more likely to put their backs up. All the lobbying in the world is unlikely to speed up what is a difficult political and industrial decision."

# History making

By chance, but appropriately, the Institute of Contemporary British History will hold its inaugural function at Nuffield College, Oxford, tomorrow, with the Commons debate on the Westland legacy still fresh in

The co-directors of the new Institute—Peter Hennessy and Anthony Seldon—believe that contemporary history has been ignored or commandeered by political or ideological partisans. "There is an untapped market for good, accurate contemporary history in Britain for top decision-takers in government, the private and public sectors." says Hennessy. "Anybody acting now to influence the future needs to have a pretty

deep understanding of what has gone in the past."

Guided by an eminent group of trustees and advisers, the Institute will analyse post war political events like the Falklands, Suez, and Westland. It hopes, corporate sponsorship permitting, to undertake pro-jects on business lobbying, technical and vocational education, and conduct interviews with top decision-takers to build up an oral archive which will complement and supplement official papers as they are released under the Thirty Year

#### Big noise

A status symbol is ... some-thing with which you make a big noise to let other people know you have arrived.

**Observer** 



had burned down a week ago. He sends his love." There are easier ways of acquiring

commercial property... Every day, from offices in London,

Birmingham, Edinburgh, Leeds, Manchester and Brussels we're acquiring and letting shops, offices, factories, warehouses and land for our clients.

If you value your time as much as

your business, it could pay to King & Co Charlemed Surveyors of 7 Stratford Piace, London WIN SAE talk to us...

JUDGING FROM President Ronald Reagan's gruelling travel schedule for the past two months, it would be easy to conclude that the seeminglyindefatigable 75-year-old is campaigning for re-election.

Criss-crossing the country, Mr Reagan has exploited every ounce of his unrivalled popu-larity to pull in the votes for hard-pressed Republican candidates in next Tuesday's midterm elections.

"This is my last campaign," he says to the thousands of Republican faithful who turn out to pay their respects to a man who is barred by the Constitution from seeking a third

"If you would like to vote for me one last time you can do it."

In voting for Republican Senate candidates, he says, the electorate can strike a blow against the "liberals" who in 1980 left him "to clean up a mess like this country hadn't seen in years."

Behind this folksy appeal to the voters lies a gamble. In a hid to boost his party's chances in next week's mid-term elections, and in particular to ay

in next week's mid-term elec-tions, and in particular to try to retain Republican control of the Senate, Mr Reagan is trying to put himself and his political philosophy on the beliot in spirit, if not in name. In doing so, he is also putting

his political prestige on the line.
For, when American voters go
to the polls next week to elect
one-third of the Senate, all 435 members of the House of Representatives, 36 state governors and the legislatures in 46 states, they could be voting in elections which mark a turning point in US political history

"We may be in the middle of an historic political realign-ment," says Dr Norman Orn-stein, a political scientist with

The resources that both parties are throwing into the races underscore the point; there has never been a more expensive mid-term election campaign. Up to last month the Republicans had raised \$179m at national level, the Democrats \$35m.

The Senate, where 34 seats are at stake, has become the main focus of contention in part because of the threat that Mr Reagan's Republicans may lose their slim 53-47 majority.

If his party can hold the Senate Mr Reagan would dear the refined to Senate, Mr Reagan would deny the Democrats the chance to set the agenda and chair the key committees in the Senate, as well as the House where the ber of women standing for Democrats have been in the office, has shocked the local majority since 1952. With Republican Party by slinging control of both chambers, the sexual slurs at her unmarried Democrats could have a for Democratic challenger, Ms US MID-TERM ELECTIONS

# A crucial test for Reagan

By Stewart Fleming in Washington



President Reagan, campaigning for Senator Robert Kasten (left) in Wisconsin last week.

CURRENT MEMBERSHIP

midable launching pad for the

1988 presidential campaign.

Also if the Republicans fall
to hold the Senate and do not
make striking gains elsewhere,
there is no doubt that Mr
Reagan, already under some
pressure following the failure of
the Reykjavik summit, will find
it more difficult to construct a the Reykjavik summit, will find it more difficult to construct a convincing political platform for his last two years in office.

rejuvenated opposition would be certain to step up the stein, a political scientist with the American Enterprise Institute. "1986 may have a profound effect on the outcome of 
the long-term struggle" between 
the two parties.

The resources that both 
parties are throwing into the 
races underscore the point; 
there has never been a more 
sould be certain to step up the 
would be certain to step up the 
south Africa and Central 
America, his fiscal and defence 
spending programmes, his 
failure to tackle more aggressively the formidable \$170bn 
use the point of the courts.

> There is precious little evidence, however, that voters around the country share Washington's sense that the choices they will make could help to paigns have degenerated into mean-spirited, parochial con-

courts.

In Maryland, following the retirement of the refined Liberal Republican Sen Charles Mathias, his prospective Republican successor, Ms Linda Chavez, one of a growing number of second standing for

As for the Republicans' pros-pects, history is not on their side. The party controlling the White House has traditionally white House has traditionally taken a beating in elections six years into an administration's term. Moreover of the 34 Senate seats on the line, 22 are held by Republicans, 15 of whom are freshmen helped into office by Mr Reagan's sweeping victory in 1000

out that history is an inaccurate out that history is an inaccurate guide since major setbacks in the recent past have generally taken place against the background of political turnoil (Vietnam and racial clashes in 1966, Watergate in 1974), or recession (1958).

took the drubbing in those years have a President as popular as Ronald Reagan or the financial resources to try to tip financial resources to try to tip the balance in up to a dozen races which are generally judged to be too close to call. This argument, however, is not much comfort to the half-dozen class of 1980 conserva-tive Republican senators who find themselves on one of the

Republican strategists point recognised frontlines of this year's campaign—the farm belt.
In the worst agricultural recession since the 1930s, the Democrate have targeted farm bemocrats have targeted farm states in the hope of clawing back some of their 1980 Senate losses and perhaps even weakening the Republican Party's long-term grip on one of its strongholds. Such has been Mr Reagan's

Such has been Mr Reagan's concern about the farm belt that he has journeyed to the Mid-West ceaselessly. The advocate of balanced budgets and small government, he has shamelessly boasted about the volume of federal money which has been poured into the farmers' pockets since he took control of the White House.

The other recognised front-

a region with distinctive political traditions and domi-nated by the Democrats since the Civil War. "In 1984, there was a significant trend to the Republican Party in the South," says Mr Kirk O'Donnell, until February general counsel to Speaker of the House Mr Thomas O'Neill and now head of a Departure think trenk the of a Democratic think tank, the Tuesday and will involve stop-Centre for National Policy. "If overs in Indiana, South Dakota, that trend continues in 1986 Colorado, Nevada, Washington, then realignment (of voter Idaho and, on Sunday his home allegiance) could well be at the of Congressional marks be nerveived to suffer a party be nerveived to suffer a configuration.

A clutch of Congressional races in Florida, Texas, Louisians, Alabama and Georgia are of special concern to Mr

disks. The operators are the con-

will be watching the returns right down to the county court-house level to see whether even more of those once loyal white Democrats who now vote Republican in Presidential and Congressional elections will do likewise in state and local

contests.

In 1984, 71 per cent of southern voters cast their ballots for Mr Reagan, and now opinion polls show a majority of whites identifying themselves as Republicans. These are wortying signs for the Democratic Party and for those who fear political polarisation on racial lines in the South. the South.

Many political analysts, and not only political partisans such as Mr O'Donnell, doubt that a as Mr O'Donnell, hould that a major re-alignment of political loyalties from one party to another is indeed underway even in the South.

Mr Rick Allen, the political editor of the Atlanta Constitution of the Atlanta Constituti

editor of the Atlanta Constitution, maintains that Southerners, with their long-standing
belief in the role of government in promoting economic
and social development, still
have an instinctive attachment
to the Democratic Party. On
this view it will take much
more than the eight years of
the Reagan Administration's
tenure in Washington to break
the connection.

tenure in Washington to break the connection.
Out on the campaign trail, however, it is hard to believe that far-reaching changes in the way Americans think about the political party they identify are about to surface. Neither party has successfully injected into the campaign its favoured national theme. national theme.

"I have never seen so much apathy out there," says Mr Edward Rollins, who master-minded Mr Resgan's 49-state sweep back into the presidency

These are difficult conditions for two parties desperate to avoid losing the advantage next

week.
Should Mr Reagan and the Republicans retain control of the Senate and most of the House seats they won in 1984, the political momentum would remain firmly with the presi-

dent.
But across the country public opinion polls are showing that in many of the key races Democrats, who were trailing their Republican adversaries, have narrowed the gap in recent weeks.

Mr Reagan has begun a solid week of campaigning which took him through Georgia, Alabama and North Carolina on

party be perceived to suffer a defeat it would not take long for Democrata to claim to have heard the bell tolling for the end of the Reagan era.

Lombard

# The great profits conspiracy

By Michael Prowse

calculate profitability—at least for external consumption — is intellectually indefensible. After all, with a few random exceptions, companies persist in valuing assets for balance sheet purposes at their historical purchase prices. The finance director's motto, so far as the annual report is concerned, is that the value or cost of something is what you paid for it. Balance sheets are paid for it. Balance sheets are thus filled with lists of truly

meaningless figures — the purchase cost of things acquired over decades. The odd "revaluation" of commercial property, or whatever, only adds to the overall incoherence.

The truth is that the accountancy profession is still unwilling to grapple with the most elementary lessons of economics. After all, about the first thing an economics student is taught is that the cost of something is not what you paid for it but its value in its most profitable alternative use. What something is worth, in short, is determined by present and future economic opportunities, not by historical facts.

Economic Would account the first maverick accountants do suggest a wholesale shift to "cash flows are measurable and do mean something; they are what in practice motivates many, if not most, business decisions.

Honest information about cash flows could, of course, be supplemented by appendices containing long lists of the purchase prices of assets (useful for stewardship purposes), so

ALMOST EVERYBODY in the financial world—from mighty finance directors to humble journalists—seems happy to participate in a giant conspiracy. This is to pretend that the profit figures reported by companies have some clear meaning. Analysts, admittedly, do not accept reported figures at face value. They make all kinds of technical adjustments: little, per se, to do with infiation, which measures the rise in the general price index. Historical-cost accounts would be wrong even if inflation were to a man, they tend to oppose innovations in accounting theory.

This is all very curious. In principle, everybody ought to accept that the way companies calculate profitshility—at least for external consumption—is intellectually indefensible. After all, with a few random exceptions, companies persist in valuing assets for balance sheet purposes at their historical purchase prices. The finance director's motto, so far as the annual report is concerned, is that the value or cost of something is what you paid for it. Balance sheets are thus filled with lists of truly affected by changing prices. Can accountants complain that non-historical asset valuations. ALMOST EVERYBODY in the the purchase price of, say, five

non-historical asset valuations are unacceptably subjective. So they prefer to remain objective but less than relevant. If (which seems doubtful) it is really impossible to measure economic costs, it would be better to own up to ignorance and dispense with profit figures altogether. Indeed, some maverick accountants do suggest a wholesale shift to "cash flow" non-historical asset valuations

future economic opportunities, not by historical facts.

Economic "opportunity" chase prices of assets (useful for stewardship purposes), so long as they were not used as to estimate; but the difficulty does not excuse accountants habit of plumping for valuations they know are wrong. Nobody who has not put his house on the market can say with certainty what it is worth; but everybody could make a more reasonable estimate than

# SE members'

interests From Mr P. Wills

Sir.—As chairman of the membership committee in the Stock Exchange, I cannot let some of the implications in Mr Marsden's letter (October 25) go unchallenged. For he seems to be suggesting that the council, in making its recommendations of the seems interests of members into

So far as the "interests of members " are concerned, Mr Marsden should appreciate that individual members are but a part of my committee's responsibilities at the moment, and in the near future they will in fact become a minority group. We have 5,281 individual members, but we also now have 244 corporate members, 111 external members and 547 registernal members and 547 regis-tered directors. In the near future we will be responsible for every person who seeks approval under the Financial Services Act to work in a member firm, including registered representatives and registered traders. Already 4,500 applications have been received.

Of all these groups, only the members have votes, though in the great majority of cases their firms have paid their entrance fees and subscriptions. Though the council represents the interests of individual members, it must reconcile them with the interests of the many other people and firms who accept the council's regula-tion and discipline, many of whom contribute as much, and very often more, to the standards and reputation and prosperity of the Stock

we must also recognise that most of the firms who bave entered the Stock Exchange in the last year owe duties to other organisations and other people as well. Above all, they owe duties to their shareholders, and we would be unwise to rely on them to continue to bear the major part of the financing of the undertaking if they have no say in the way it is run, and if the assets they are paying for end up belonging to individual members. As has been made abundantly clear, they have the option of setting up their own organisation, whether here or abroad, which they can control, and they may indeed have a people as well. Above all, they and they may indeed have a duty to their owners to do so. My committee must continu-ally bear this in mind when balancing the interests of the idea that 70cl bottles for table

on mentify the interests or and minicence chains was one individual members, and these of competition. It became quite impossible. In these simplified impossible in these simplified conditions, economists can produce of a member who has served to pay less for less wine, alternative simple calculations to though on a £3 bottle of table show that subsidising public 136 Long Acre WC2.

#### **Letters to the Editor**

from those of the young people who are just setting out on a career in the most exciting financial centre in the world today. It would be sad if we left them saddled with an archaic constitution which prevented them taking full part in the opportunities which are presented.

If, therefore, the council con-

if, therefore, the council considers that the prime interest of this wide variety of individuals is to release them from the burdens both of supporting a compensation fund for which they have unlimited liability, and where the liabilities are and where the habilities are potentially huge, and of financing the future developments essential if the Stock Exchange is to become a world market, and that the price of this release is the surrender of their votes, the state of their votes, the state of their votes. then that is a judgment which the council is entitled, indeed has a duty to present to mem-bers for their consideration. If, in addition, the worth of the votes that are to be lost is vastly reduced by the impact of the new legislation which will shortly come into force, will shortly come into force, whereby the powers of the council are to be much curtailed, then the argument becomes even more compelling. For in future it will not be the council representing the members who will control the Stock Exchange, it is the SRO, which will do so.

which will do so.
Sadly, I fear that these considerations are not persuasive to Mr Marsden and a number of other members. It is money in the pocket, which somebody else has to provide, and not the future of this great organisation, which counts. I fear I cannot agree with him. P. G. B. Wills,

Sheppards Moneybrokers, 20, Gresham St, EC2.

Smaller Scotch bottles

From Mr E. Penning-Rowsell Sir,—In reply to Dr McGeehan's letter (October 22) variety of groups, it also has that to follow the supermarket to identify the interests of and off-licence chains was one individual members, and these of competition. It became quite

to retire are vastly different | wine for the 75 cl bottle the difference was no more than 15p. The date, however, for the compulsory return to 75 d

Mrs Haag and Dr McGeehan may well share my irritation that in a few years' time Scotch whisky will be compulsorily bottled in 70 cl bottles no doubt to bring them into line with French brandies. It is a pity that the Scotch whisky industry has not more clout. Edmund Penning-Rowsell,

c/o Bracken House, Cannon Street, EC4.

Road and rail and subsidies From Mt D. Sawers

Sir, — There is something about railways that turns the heads of sensible men. Why else do grown men play with their fall into as many conventional fallacies as they did when writing about the new financial targets for British Rail (October

Subsidising because others subsidise is the hoariest fallacy of the lobbyists' armoury, containing absolutely no logic at all; a high subsidy in another country for some activity may best be matched by no subsidy, to take full advantage of the to take full advantage of the other country's bounty, and the subsidy policies of other counby economic logic rather than political pressures. The subsidies to railways in other countries appear to be influenced more by desires to maintain employment in the railway system and to keep voters happy with cheap transport than by calculations of the social returns to such subsidies. The social return to subsidies for transport in general, and suburban railways in particular, is rather less universally accepted to be positive than your leader sug-

Subsidies for public transport in areas where roads are congested only show a positive re-turn if time is excluded from various groups for which it has responsibility.

But the council not only has to serve the interests of a wide the traditional wine merchants gestion, such as charging for the roads. use of the roads, are also excluded as politically impossible. In these simplified

transport reduces road congestion, and the savings in travelling time and costs produce a positive return. But if time is introduced, simple calculations cannot be made and the balance of argument be-comes entirely different. A London can then be seen to be an encouragement for employment in London, and for long distance commuting to London. Lowering the cost of travel to London reduces the pay that needs to be offered to attract workers to jobs within the area, and encourages these workers to live further away than they would otherwise do.
It is not obvious that these

results are socially beneficial.
Regional policy has less
relevance when unemployment
is generally high; but it is
lowest in London, making that
city the least deserving recipient of government sub-sidies for employment—which is what the subsidies for com-muting are. Whether any sub-sidy for suburban railways is justifiable cannot easily be established, given the difficulty of calculating the return to a subsidy in real-world condi-tions. But the economic logic points to reducing subsidy, not increasing it. Logic also points to the use of direct charges for the use of congested roads rather than their expansion. Motorists pay several times the average cost of the road system, but not the costs of the congested urban system. Per-haps modern electronics can make road pricing a reality.

David Sawers. 10 Seaview Avenue, Littlehampton, Sussex.

Crossing the Channel

From Mr M. Shenfield

consumer resistance?

Sir,—As a consultant advis-ing one of the "also rans" in the Channel tunnel race last year, it was very evident that a drive - through solution (whether tunnel or bridge) was preferred by the potential users of a Cross-Channel fixed link Could it be that UK fund managers travel to the Continent by car for their holidays and realise through personal experience that the Eurotunnel scheme could meet

Thus the reticence of British institutions in subscribing to the international share placing by Eurotunnel may not reflect their views of long-term investments per se, but is rather a personal (thus potential con-sumer) view of the scheme itself. Obviously fund managers in France, who would never contemplate holidays in the UK, and in Japan would be judging the scheme as a concept and not a practicality for their own use.

Travers Morgan Planning.

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financial projections? Do you need tax advice on an appropriate legal structure?

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Do you need someone to make contact with the specialists you'll need-bankers, lawyers, etc?

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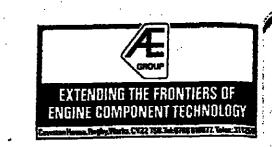
Company:\_ Type of Business: Current Turnover:

Projected Turnover: No. of Employees:

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# **FINANCIAL TIMES**

Thursday October 30 1986



David Marsh reports on doubts about West German efforts to curb political violence

# Soul-searching over terror curbs

THE West German Government's murder by terrorists in Bonn of Mr planned new measures to combat Gerold von Braunmuchl, the politidomestic terrorism are prompting cal director of the Foreign Minister Bonn about whether the state is the capital since the Federal Reputaking the right approach to curb- blic was founded in 1949 - the couning a rising tide of politically moti- try was rocked by two-further at-

ated violence. tacks on Tuesday.

The measures, adopted yesterday Mr Harald Hollenberg, director vated violence. by the Cabinet, centre on controver- of the West Berlin department for sial legal changes which will allow they give evidence against their ac-

In addition, the Government is rorist offences to encompass sabo-tage of transport and energy instal-lations, placing the West German state practically on a war footing in its fight against perpetrators of rev- DM 100,000 (\$49,000) worth of dam-

Misgivings in Bonn over the new legislation, not only from the oppo-sition Social Democratic Party (SPD) but also from the Free Democrats (FDP), the junior partners in during the past 18 months.
the centre-right coalition, come at a Both Mr Hollenberg and Lufthan-

nation, the country is caught in a di- Germany. tween measures which do not go far enough to meet the menace and those which risk infringing careful was being used to fly out of the Fed-

BY PAUL BETTS IN PARIS

is seeking to gain clear majority control in its telecommunications

joint venture with ITT of the US

even though this may increase the

overall cost of the operation to the

French group.

The efforts of CGE to gain clear

control of the new joint venture marks a significant change in the

French company's approach to the telecommunications deal with ITT.

It reflects the concern of Mr Pierre

be in full managment and industrial

control of the new telecommunica-

tion venture, which will become the

world's second-largest telecommu-nications group after American

Telephone and Telegraph.

Suard, the new chairman of CGE, to new telecommuni

COMPAGNIE Générale d'Electri-cité (CGE), the nationalised French electronics and engineering group,

- the first political assassination in

the registration of foreign nationterrorists to escape punishment if als, was wounded in the legs in a they give evidence against their ac-Ireland guerrilla incidents.

Police are investigating possible links between the attack and a bomb blast on the same day at the Cologne headquarters of Lufthansa, the national airline. Responsibility for the bomb attack, which caused age, was claimed by the "Revolu-tionary Cells" movement linked to the hard-core Red Army Faction responsible for the killing of Mr von Braunmuehl and for other murders

time when the Government is fac- sa had apparently been selcted as ing an increase of guerrilla action.

But more than any other Western towards asylum seekers in West

A letter sent to the press claiming eral Republic refugees whose asy-hun applications had been turned

an essentially financial approach to

the deal, seeking to limit as much as possible CGE's financial expo-

sure in the new venture while re-

taining management control for the

European consortium called "Eurot-el" controlled by CGE but in which

other European partners would own a stake. This consortium would

grouping IIT's worldwide telecom-

munications assets with those of

CGE's Alcatel subsidiary. ITT would have owned the remaining 37

Mr Suard took over this summer
Telefonica of Spain had both indiare due to pay IT \$1.1bn in cash by
from Mr Georges Pebereau, the former CGE chairman, dropped by the
Telefonica of Spain had both indiare due to pay IT \$1.1bn in cash by
the end of this year. Under the presmer CGE chairman, dropped by the
Telefonica of Spain had both indiare due to pay IT \$1.1bn in cash by
the end of this year. Under the presmer CGE chairman, dropped by the

Société Générale de Belgique and

per cent stake.

have controlled 63 per cent of the

The original idea was to set up a

**CGE** seeks control in venture with ITT

underlined in Frankfurt on Monday and Tuesday during the two-day "cultural summit" between the French and West German governments. A total of 2,000 police and security men were on hand to guard the two delegations, outnumbering the crowds of curious and some-

times irritated Frankfurt citizens lining up to watch the ceremonial parts of the proceedings. As part of the massive security precautions, hundreds of manhole covers in the city were screwed or welded down by municipal workers to prevent any danger of bombs being hidden.

Yesterday's new measures passed by the Cabinet are due to go before the Bundestag (federal parliament) in the next few days and enter into

They coincided with a mass raid by 500 police and security officers on several houses in a street in Düsseldorf yesterday morning in a hunt for clues about the murder of

The FDP, which has come under considerable pressure from the dominant conservative parties in the coalition, the Christian Democratic (CDU) and Christian Social (CSU) groupings, agreed last week to go along with new anti-terrorist laws in spite of strong misgivings

ventual European partners. However, Mr Suard now appears

keen to negotiate a new structure

for the joint venture, which would

give CGE a clear majority and

holder control of the operation.

foreover, CGE no longer seems

anxious to attract other European partners and would not be unduly

decide to withdraw its participation.

The Spanish state telephone group indicated this week that it

was considering pulling out of the

deal. CGE does not appear worried

over the implications of a Spanish

pullout since the French group is

confident of its ability to finance its

CGE and its European partners

are due to pay ITT \$1.1bn in cash by

share of the deal.

within the party and among its parl

Doubts particularly over the pos sibilities that terrorists, including murderers, could escape prosecu-tion by giving "state's evidence" against their accomplices have, however, since come to the fore.

Count Otto Lambsdorff, the for mer FDP Economics Minister, who is thought to be close to the CDU on many issues, stated baldly that he was against the new moves since they would radically change an important part of the country's legal

The SPD has meanwhile accused

the Government of excessive haste in rushing through the anti-terror-ist measures. A meeting of interior and justice ministers from SPDruled Länder (federal states) on Tuesday gave backing to efforts by the Government and the public prosecutor's office in Karlsruhe to step up exchanges of information with other countries on internation-

But the SPD believes the "state's evidence" legislation will not only contradict the country's legal princies but also prove to be ineffective. Additionally, the party is also unhappy about proposals for wider use of computer data banks - including the massive "memory" of the federal motor vehicle registration office - in the police hunt for

already lined up the cash, with So-ciété Généraöe de Belgique and Telefonica contributing between them the remaining \$500m. Should

Telefonica withdraw, CGE would have to find an additional \$250m.

But CGE believes this would not

ose any major problem because of

the strength of the company's bal-ance sheet. Instead, Mr Suard

seems keen to secure a clear major-

ity of at least 51 per cent of the new

able to control fully the manage-

ment and industrial challenges

CGE will face as a result of the deal.

new equity after the privatisation of the group, which CGE hopes will oc-

cur in the second half of next year.

This new equity will help offset the increase in indebtedness following

Background, Page 24

Moreover, CGE expects to raise

munications venture to be

# **Brussels** questions Bonn on aid for **Daimler**

By William Dawkins in Brussels

given the West German Government a month to explain local au-thority plans to help Daimler-Benz the car producer, build a DM 1.8bn (\$879m) plant in the southern town

of Rastatt The Commission has written to Bonn outlining its suspicions that the Rastatt administration and the Baden-Wirttemberg state govern-ment are offering to sell a factory site to Daimler-Benz at between DM 170m and DM 200m below market value.

This is a normal procedural step in any EEC examination of state aids, but if the Rastatt scheme is found to be illegal, the Commission has power to block the assistance. The case is an embarrassmen

for a Bonn government which has in the past campaigned fiercely in Brussels for reductions in industri-al subsidies. It has also been the ubject of fierce public debate inside West Germany.

EEC officials yesterday empha-sised that the Commission was openminded on whether or not the Daimler-Benz assistance was alowed under Community rules. However, several European car makers fear that aid of this type may become an increasingly com mon competitive weapon if the Commission fails to decide against

the Rastatt scheme. Mr Jacques Delors, the Commis-sion President, is known to be opposed to taking action against Daimler-Benz but on this occasion was outvoted by those in the Commision who believe that competition rules must be enforced. The nission is to ask all member states for their views and is expected to be in a position to make a decision in three to four months.

The Rastatt operation is expected to have a capacity of 350 vehicles a day and to employ around 7,000 people making the new Mercedes 200 and 300 series. Many of those jobs would be given to staff due to be made redundant at Daimler-Reserved divisions. In Worth Benz truck divisions in Worth, Gaggenau and in Rastatt itself.
Critics of the scheme point out

that Rastatt is not in a protected area singled out by the EEC for spejustify helping Europe's most pros-perous car maker to build a factory in one of West Germany's richest

A Baden-Württemberg state gov-ernment official said yesterday that the local authorities would argue to Bonn that the aid was designed to improve the region's industrial in-frastructure, rather than being spe-cifically targeted at Daimler-Benz. He said that fixing an accurate market price for the land was in any case complicated by the fact that the site, once a marsh, had never been used for industrial development. Although the state was generally prosperous, he pointed out that unemployment in Rastatt, now at 8 per cent, was climbing

industries. Daimler-Benz cannot start buildng work until the EEC has given its consent. The group has already warned that it might look for anwarred that it might look for an-other site if the project is not under way by early 1988. A spokesman for the group said yesterday: "We are just hoping for a fast decision and a decision that will be positive for the

thanks to the demise of traditional

economy of the area."

The Commission approved yesterday an 8.75 per cent grant of over DM 50.9m of a DM 582.1m exten-sion at Daimler-Benz's car plant in the high unemployment area of Bremen, on the grounds that it will create much-needed jobs.

#### Cut in working hours planned at Nippon Steel

Continued from Page 1 104m tonnes last year. By 1990, some say, production may drop to

80m tonnes.
While past production cutbacks have been related to various slowdowns in Japan's economic growth, this one appears to be more perma-nent. Industry executives point out that the industry has been exporting about 30 per cent of its output, with a further 20 per cent indirectly exported in the form of automobil and electric appliances. The appreciation of the yen, however, is enting into steel exports, both directly and indirectly, by allowing newer producers such as Taiwan, South Korea and Brazil to compete more effectively on price.

#### THE LEX COLUMN

# Daimler makes a pit-stop

The German stock market has been sickly of late but rumours of a Daimer-Benz rights issue – even at 1-for-10 or 11 – scarcely sound like the right prescription. At a UK-style discount, the issue would drain nearly DM 4hn from the market, more than the entire net share purchases by foreigners in 1984 but rather less than the net cash in Daimler's balance-she

But it seems more likely that the discount will be very much larger -or about 80 per cent of yesterday's price of DM 1197, down DM 17 which will raise something in the DM 500-800m region.

This is not much comfort to the foreign investors who, having so long complained at German indus-try's aversion to equity finance, have had to face around DM 9bn in share issues so far this year

Why Daimler wants this palt sum is anybody's guess. Even AEG has net cash, and it would be odd to pay out DM 500m in dividends last year, including a special bonus to celebrate the centenary of the moor car, only to call it back again. One theory has the new shares eligible for dividends, so that Daimler can increase its payout without irritating a workforce by raising the

On the June day that Reed International announced its preliminary esults its share price gained 10 per cent. Yesterday the release of its interim figures - pre-tax profits up from £51.1m to £80.2m - pushed the price up nearly 17 per cent, 42p to 292p. The market's repeated sur-prise suggests that the old preju-dices about Reed have not been eradicated even though Reed has lost much of its ability to go sudden-

ly, horribly, wrong.
While Reed has yet to achieve its ambition of earnings half its profits in North America and through pubishing, the dependence on old-style commodity paper production is long gone. Heavy investment (combined with a lot of pruning) has put the paper operations on to a far soun-der footing, and though higher raw material and energy prices might cut into margins, the cycles should ing as of old. Cardboard boxes and paper sacks may never make for excitement, but at least Reed has cut the cost base enough for reasonable profits to be made even when

Reed intl. 250 200<del>|</del> 150

wspapers, should not be such an up and down business. Here, too, t-cutting, rather than buoyant markets, has been the basis of profit growth. The Technical Publishing deal in the US should fit neatly into Cahners bringing large economies to finance further investment as

well as boost profits. Reed's finances also bear little re- premium. semblance to their former inglories. Interest cover is such that, although the charge for the year will be £15.6m, there is still scope for a few more small cash purchases. Issuing paper must wait until the rating improves. A forecast for this year of overcautious, and even that rates the shares at under 12 times, rather less than they deserve.

The bulls and the bears have been grappling over Next's share price for over a year without issue, and yesterday's full-year results provided encouragement to each camp in about equal portion.

Increases of 38 per cent in earn

ings and pre-tax profit (to £27.7m) were better than promised in the forecast for the Next business at the time of the merger with Grattan, pre-interest margins were almost a point ahead and the trading space had increased by 40 per cent by the year end.

The bears have no time for this sort of thing. Sales growth on a like-for-like basis was next to nothing: stocks made for a listless afternoon vealed by a scramble for marginal to Next Too and Next Collection.

mail order (regarded by all as a good thing) will involve nothing but heavy front-end catalogue costs and ballooning working capital for two

Even if Next can deliver 20 per cent earnings growth this year, it should forego its premium rating on

The share price did nothing at 249p, but maybe the bulls have it. Next is probably the most interesting investment in the stores sector. and gives exposure, through its credit card subsidiary, to the second most interesting. Dixons.

It could be that Next will not succeed in revolutionising home shopping, though it is a far more revolu tionary situation than the high street. But its record in new product development in stores certainly suggests that the first joint catalogue will make a splash. Until then, Next opticians or wine furniture or whatever should provide additional profits growth to justify the

#### Gilt-edged

According to conspiracy theorists, the new gilt-edged market is al-ready being operated by a club of three or four primary dealers – alle-£180m pre-tax may again turn out gedly running prices down to make yesterday's tender look exposed, and pushing them back up again having taken out the entire tender

What supports this unlikely story is that the whole issue was indeed allocated, despite patchy retail de-mand: and at least two of the large US houses appear to have marketed the new stock in a currency-hedged form to dollar investors. Since this evidence falls some way short of exposing a dealers ring, the Bank of England can feel confident that it has not been scalped on its first of-

deed picked up a substantial amount of the stock, the exhaustion of yesterday's tender may not be much indication of bounce in the market when the stock starts to trade this morning.

The boiling down of other short of the womenswear business is re- stock will function as a tap after all - dripping from the market makers' volume in segmenting the brand in-tender allocation. It is an open to Next Too and Next Collection. question whether the Duke of The 50 per cent increase in prof-York's role in gilt-edged has been its from the credit card subsidiary stolen or sub-contracted.

#### **Commercial** Credit to raise \$215m new cash

By Terry Dodsworth in New York COMMERCIAL CREDIT, the financial services company which is be-ing spun off from Control Data, the struggling computer group, and tak-en over by the Wall Street financier Mr Sanford Weill, is raising about \$215m in a \$780 equity issue. This will complete its disposal by Control

The new issue of 38m shares follows a clutch of large equity offer-ings recently on Wall Street. Commercial Credit said yesterday that it would be using the cash

generated by the flotation to reduce and restructure its debt. At present, the company is paying a higher in-terest rate than is normal for financial services groups because its borrowings are still rated on the basis of Control Data's ratings in the market. The aim, Commercial Credit said yesterday, was to put the group back on an investment grade footing, where it would be able to raise money at the least expensive rates.
Under the terms of the offer, Mr

Weill and his associates will emerge with roughly 10 per cent of Com-mercial Credit's equity including their option rights. The larger pro-portion of the proceeds – about \$550m – will be received by Control

Control Data will retain around 18 per cent of the equity when the deal is completed, leaving approxi-mately 70 per cent in the public do-

# Eurotunnel completes share placing

BY ANDREW TAYLOR IN LONDON

EUROTUNNEL, the Angio-French channel tunnel consortium, announced last night that it had successfully concluded its £206m in roughly three equal (\$288m) international share placing. The announcement came after a continuous state of the announce EUROTUNNEL, the Anglo-French

The announcement came after a lengthy meeting of shareholders and senior Eurotunnel executives in Paris. The deadline for payment of subscriptions had passed several hours earlier at 2pm London time

The shares were placed in the UK, France, Belgium, West Germany the US and Japan and certain the sluggish response in the UK,

The biggest concern yesterday appeared to be that the US placing would fall short of its target. If that had happened Eurotunnel would have needed to have had sufficient margin to make up the difference

one stage it had appeared that the have supported the placing. Some British placing might fall about fresh pledges are thought to have £10m short of its target of about been added since the weekend.

and the rest of the world.

other countries, said Eurotunnel.

The announcement did not include a breakdown of amounts raised in individual countries. At More than 40 British institutions

over one or two large investors which have been wavering in recent weeks although this had not been expected to affect the total outcome.

The placing in Japan had also been believed to have been largely completed. Eurotunnel had also not expected to have any serious problem in reaching its target for the rest of the world.

At least two British institutions which supported the placing yester-day said that they had been contacted by the Bank of England which has been lobbying some funds in a bid to prevent the issue from flop-

# Falklands fisheries curbs planned

**Continued from Page 1** 

by international agreement. A taken steps through voluntary ar-study was undertaken at the United rangements, which it had hoped to Nations Food and Agricultural Organisation (FAO) in March 1985, as the result of a British initiative.

Sir Geoffrey accused Argentina This was seen as the first step to-

wards agreement on multilaterial conservation and management arrangements under FAO auspices.
However, the Foreign Secretary complained that some nations had not co-operated fully in the study,

Sir Geoffrey accused Argentina of having undermined that ap-proach. It had embarked on "ag-gressive patrolling" more than 200 miles from Patagonia and within 200 miles of the Falklands.

Even more important, Argentina

Government had always considered causing a long delay in its preparation that the problem should be solved tion. In the meantime Britain had agreements with the Soviet Union agreements with the Soviet Union and Bulgaria through which it purported "to exercise jurisdiction that is, as a matter of international law, the entitlement of the Falkland Is-

> These agreements were incom-patible with the multilateral initia-tive, Sir Geoffrey maintained. However Britain remained ready to work for an international arrange-

# Olivetti, AT&T sign deal

Continued from Page 1

new deal was the result of talks which began in early September and which followed several months ing in Olivetti (acquired in Decemof discussions spurred by an AT & ber 1983) to a 25 per cent maximum T request that Olivetti "tell them until October 1990 was important to how they could be more competitive him. AT & T actually has a 23.5 per in the information technology secin the information technology sec-tor." Mr Piol later added that AT & its original 25 per cent holding hav-Ts "weakness" was not products ing been diluted earlier this year but marketing and the "structure of when Volkswagen of West Ger-

the support system."

many bought 5 per cent of Olivetti

controls a separate industrial and financial empire in Italy and France, said he had promised Mr Robert Allen, AT & T president, that he would continue as Olivetti chief for the duration of the deal,

# Daimler-Benz rights issue, Page 21

The industry, as a result, is planning more cuts in personnel and heavy rationalisation programmes. Nippon Steel, for example, is now considering the closure of three

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The new deal would have no major financial effect on Olivetti, according to Mr De Benedetti, who also said that Olivetti would continue to manufacture and ship personal computers to the US market from plants in Italy. Mr De Benedetti estimated AT & Ts share of the US PC market at 6 per cent

shares. The Olivetti chairman, who also

#### INVESTMENT ANALYSTS

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ROBERT HALF



Mr James F. McDonald (left) president of Gould, takes on the additional post of chairman, filling the vacancy left by the retirement in August of Mr William T. Ylvisaker (right)

# Gould elects a chairman

BY OUR FINANCIAL STAFF

Gould, the llimois company that has changed from being a battery maker into being a high technology concern, has appointed its president. Mr James F. McDonald, to the additional post of chakman.

Gould has also appointed a Xerox Corporation vice chairman, Mr William F. Glavin, to its board, expanding the number on it to 14.

Gould, the Illinois company ment of Mr William T. and for financial services related that has changed from being a Ylyisaker on August 29. to GTE's capital market activi-MR WILLIAM P. BENAC has been named assistant treasurer of capital markets for GTE. He

daditional post of chairman.

Gould has also appointed a and treasurer of GTE International and as president of any its board, expanding the number on it to 14.

Mr McDonald, 46, fills a vacancy created by the retire
of capital markets for GTE, he is also to serve as vice president and treasurer of GTE International and as president of pany has appointed Stephen Silbert on it to 14.

Mr Benace will be responsible for structuring and implementing all of GTE's external financing officer.

Mr Silbert has been a director of the company since September international capital markets,

ties.
He has served as assistant controller of budgets, plans and analysis for GTE since 1984.

#### Change at top of **Mattel**

By David Blackwell in New York

MR ARTHUR SPEAR, chairman of Mattel, is to retire from the toy company at the end of December after 22 years.

At its next meeting, on November 6, the company will create a three-man executive create a three-man executive committee comprising Mr Tom Kalinske, president: Mr John Amerman, president of the international division: and Mr Ray Ferris, chief financial officer and executive vice president. The company's executives will report to this committee.

Mr Spear, 66, said that he had planned to retire a few years ago, but had agreed to stay to oversee the financial restructuring of the company which was formed in 1984. The restructuring, under which the group re-verted to its core toy business, came as the company was in-curring heavy losses after diversifving into consumer elec-

Mr Spear says he is satisfied that the restructuring and new operating strategies are firmly in place, and was satisfied with the company's position.

In the second quarter this year, the group reported an 89 per cent decline in net earnings to \$2.1m, or 1 cent a share on

# Texas Oil and Gas man resigns as USX director

USX CORPORATION (formerly US Steel) has announced the resignation of Mr William L. Hutchison, 53, as a director, in order for him to devote full time to personal affairs, reports Renter from New York.

Mr Hutchison was chairman of Texas Oil and Gas Corporation when it was acquired by USX last year.

A USX proxy statement has

A USX proxy statement has ness, and plans to remain active listed Mr Hutchison as owner in the oil and gas field.

#### **Board move at IBM**

INTERNATIONAL BUSINESS Krowe, who was formerly IBM's MACHINES CORPORATION chief financial officer, was has announced that Mr Allen J. re-assigned on October 17 to be Krowe, a senior vice-president, corporate executive responsible Krowe, a senior vice-president, corporate executive responsible has been elected to IBM's board of directors, and that Mr communications group, ISCG, George H. Conrades has been appointed senior vice-president, products group, ISPG, and Rolm The company says that Mr Corporation.

#### Wartsila sets up succession BY OLLI VIRTANEN IN HELSINKI

MR TANKMAR HORN, chief executive officer of Wartsila, the Finnish shipbuilding group, is to retire at the end of this year. He will be succeeded by Mr Tor Stolpe, Wartsila's president and chief operating officer. Mr Horn discusses connections with the Soviet Union.

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In addition to business acumen, a high standard of technical excellence is required. Naturally, particular importance is attached to

management reporting and although sophisticated information systems exist, there is scope for further improvement. The further development of information systems will be allied to a general strengthening of corporate planning, and the Financial Director will be expected to provide the drive and expertise necessary to

achieve this. Applicants should be team players, with a strong personality and well developed interpersonal skills. Previous contact with City Institutions would be an added attraction.

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of high quality Industrial products, services and materials, it has a turnover of around \$1,200m and

includes systems development work and playing a key role as a member of the European Management Committee. The responsibilities for the U.K. company

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personal and salary details quoting Ref. ER891 to: Michael Fahey, Arthur Young Corporate Resourcing, Citadel House, 5-11 Fetter Lane, London EC4A 1DH.



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further development of management accounting procedures ensuring their comoperating company, which is part of a diverse international organisation, engaged in the patibility with production and material control systems.

design, development and manufacture of a The successful applicant, aged in his or her early thirties, will be a qualified cost wide range of equipment for use in the processing and production of food products. accountent with at least five years experience gained in an engineering or manufacturing environment. Knowledge of costing complex Building upon a reputation for innovation and the use of high technology, they are increasingly moving into the area of bespoke products and turnikey projects in order to projects would also be important, in addition to experience in the development and implementation of management accounting satisfy customer demand. Reporting to the Financial Director, the job

holder will be responsible for a small team The demanding nature and wide scope of this position will enable the jobholder to involved in the provision of accurate manage ment control information, with particular make a significant impact in a dynamic emphasis on project costing and stock organisation. There are good prospects for reporting. Additional duties will include the

career development and advancement within

the company. The remuneration package will be as indicated, along with participation in health insurance and contributory pension schemes. Assistance with relocation will be provided where appropriate.

If you believe you can meet this demand-ing specification, please write enclosing full career and salary details quoting reference MCS/8649 to Stephen Bailey, Executive Selection Division Price Waterhouse

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R.D. Howgate. Hoggett Bowers plc, St. John's Court, 78 Cartside Street, MANCHESTER, M3 3EL. 061-832 3800. Ref: 27450/FT.

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I.L. Duff. **Hoppett Bowers plc**, 1/2 Hanover Street, **LONDON**, W1R 9WB, **01-734 6852**. Ref: 18134/FT.

These positions are open to male or female candidates. Please telephone for a Personal History Form to the relevant office, quoting the appropriate reference.



#### Recruitment of Senior Finance Officer

THE BCCI INTERNATIONAL FOUNDATION FOR THE PROMOTION OF NEST The BCCI International

Foundation constituted for the promotion of New & Emerging Sciences and Technologies (NEST) in the developing ountries of Africa, Asia and Latin America, hereby invites applications from qualified candidates for the post of a Senior Finance Officer to work in the London office of the performed and the qualifications required are;

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Management Services

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Our client is internationally respected as an innovative manufacturer of advanced high technology production equipment and associated machine tools for specialist markets. Current turnover of £6 million plus will be substantially increased next year. This new appointment is part of a determination to ensure that the business is controlled and regulated during the challenging times ahead leading to an eventual flotation.

Your prime early responsibility will be to see that financial control mechanisms are established and that there is an associated rapid development of MIS. Whilst you will obviously be involved in the development of strategic planning and progressively in wider commercial management, the size of the company clearly indicates that the role will also have a heavy emphasis on day to day financial

A qualified accountant and probably aged in your less 30s, it would be advantageous if you have experience with a manufacturer of high technology capital equipment. You must have proved that you can manage an evolving finance function based on strengths in systems development and strong interpersonal skills. The ability to make an immediate impact and wide business contribution in the boardroom is essential.

Résumés please, including a daytime telephone number, to David Owens, Ref. D204.

Coopers & Lybrand Executive Selection

Coopers and Lybrand Executive Selection Limited

22a The Ropewalk Nottingham NG1 5DT

## OSBORNE & LITTLE plc

FINANCIAL CONTROLLER

London, SW12

£17,000 + car + benefits

We are a rapidly-expanding, USM-quoted Company involved in walipapers and furnishing fabrics. We are seeking a qualified accountant who is commercially orientated. Experience of computer systems would be an advantage.

Reporting directly to the Financial Director, duties will initially include management of accounts department, preparation of monthly management and year-end statutory accounts, cash flow and profit forecasts and their monitoring.

Regular contact with the company's managers at branches throughout the UK and USA means that strong communication skills are essential. This position for a hardworking accountant, offers good opportunities within the organisa-

Candidates will probably be in their mid 20s/early 30s.

For further information please write, enclosing full curriculum vitae, or telephone: Attention: Peter Soar, F.C.A.

OSBORNE & LITTLE ple 49 Temperley Road, London SW12 8QE Telephone: 01-675 2255

# **Finance Director**

Co. Durham c. £25,000 + benefits



IMP
Our client, Integrated Micro Products, is a young innovative company designing and building a range of computers and related equipment within the highly successful Unix market. With sound institutional backing, they have been doubling their unnover year by year and anticipate flotation on the USM in or around 1989.

They are now seeking a Finance Director to take charge of the whole financial function and to play a significant role in the commercial direction of the company. While developing the company's own systems, the successful candidate will also take the lead on acquisitions and help direct the company's own organic growth. A key feature of the job will be to strengthen lines of communication within the company and to ensure effective reporting.

Candidates should be chartered accountants probably in the age range 28 to 35 with no less than two years' post-qualification experience gained in industry. They should have well-developed interpersonal skills and at lesst some experience of smaller companies, preferably with a bias towards high technology.

Please apply to Anthony Jones, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London, WC2A 1EG, tel: 01-242 5775.

Interviews may be held either in London or Co. Durham.

# **Financial Controller**

**International Operations** 

c.£23,000 + car

This major international corporation in the entertainment industry wishes to

strengthen its Corporate Control function. Reporting to the Senior Vice-President Finance and Administration you will have a vital input into the Company's burness strategy. Your role will entail the supervision of budget preparation for a number of territories in the Far East and the tracking and monitoring of actual territorial performance in the areas of gross income, advertising and publicity costs, operating expenses and capital expenditure.

A close liaison with Sales and Marketing executives at the Company's headquarters

#### West London based

is implicit, as is direct contact with the General and Financial Managers in the territories themselves. Overseas travel is expected to take up to 20% of your time. Aged at least 30, you will be qualified with a number of years senior financial experience gained in a fast moving international Sales and Marketing environment.

Please forward a comprehensive CV quoting Ref. MD1137 together with details of recent salary progression to Dennis Fielding, Macmillan Davies, The Old Vaults, Parliament Square, Hertford, Herts. (2002) 552352 Telephone (0992) 552552.





# INTERNATIONAL SEARCH EXECUTIVE

(With an entrepreneurial spirit)

Financial Controller

City c£25,000 + Mercedes

A £1.5m turnover, highly profitable sport and leisure group is seeking a Financial Controller to help guide them to further success. Combining dynamic and innovative ideas, with prestige status, the group is well

placed in its exciting growth sector. Reporting directly to the Managing Director, the role calls for a wide range of skills and experience. Personal credibility and financial management knowledge will be necessary to offer advice at board level and to steer the

group to a USM listing within 2 years, yet the candidate will also play a 'hands on' role in the day to day running of the small accounts department.

Candidates should be qualified accountants, preferably with a 'big 8' training or have experience of a small growing company with similar aspirations to our client.

Energy and self-motivation will be vital to keep up with the pace in the group's informal and lively working

atmosphere. Smokers need not

apply! Directorship and a share participation scheme are possibilities for the right candidate.

Please reply, enclosing a full CV and quoting reference MCS/3011 to Tracey Phillips **Executive Selection Division** 

Price Waterhouse **Management Consultants** No.1 London Bridge London SE1 90L

Price Waterhouse



# ....

Our client is a world leader in supplying information services to the media and the financial community. It is UK based with offices in about 80 countries. Vacancies have arisen in the following departments within the growing Corporate Finance Function which is based in CENTRAL LONDON:—

# **International Internal Auditors**

c£20,000 + car + benefits

The positions require outgoing personalities who, in dealing with management at all levels, will contribute to the continued development of accounting and administrative systems. The work of the Internal Audit Department encompasses computer audit work, acquisitions and project reviews, in addition to ongoing worldwide general audit assignments, usually of four to six weeks duration. For young Chartered Accountants, willing to travel, this is an exciting opportunity to gain an invaluable insight into a fast-growing international organisation. Ref: 1399/FT.

#### **Assistant Financial Managers** c£20,000 + car + benefits

Successful applicants will join a high calibre group within the Corporate Finance Function. Supported by computerised systems the Financial Accounting team is engaged in monitoring performance, providing timely and pertinent management information, setting financial accounting standards and ensuring compliance with U.K. statutory and U.S. SEC requirements. Candidates must be qualified accountants aged up to 28, preferably with a degree, who have gained experience with a major professional firm and possess the necessary personal qualities to succeed in a challenging and rapidly expanding environment. Ref: 1405/FT.

#### **Technical Operations Management Accountant** c£18,000 + benefits

The successful applicant will be responsible for providing a complete management accounting service for the Reuters Europe Technical Operations Manager. The work will include monthly management reporting, forecasting and budgeting, together with a significant amount of ad hoc analysis. Candidates should be qualified accountants with good communication skills and the flexibility to succeed in a fast-moving environment. Ref: 1412/FT.

Write or telephone for an application form or send full details (with a day-time telephone number and current salary) to: R.P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours). Reuters is an equal opportunities employer.

-Phillips & Carpenter

# **Chief Accountant Pharmaceuticals**

to £22,000 + bonus: Solway Coast location

GLAXOCHEM LIMITED is a member of Britain's largest pharmaceutical group and is responsible for the manufacture of bulk pharmaceuticals and fine chemicals for worldwide distribution. Our Annan site is the most modern of Glaxochem's plants, employs in excess of 230 people and is situated in an attractive area

As a member of the Site Executive Team, you will be responsible to the Factory Manager for controlling all financial and management accounting activities for the sits. This will require sound experience in identifying and implementing initiatives to improve cost performance, and the ability to maintain stringent financial control for a £multi-million expenditure programme.

Aged over 30, you should be a 'high calibre' qualified Accountant with all round management and financial skills.

Selary will reflect qualifications and depth of relevant experience. Benefits are those associated with a company of Glaxo's international standing and include attractive bonus, non-contributory pension and relocation assistance, where appropriate, to this scenic location.

Please write or telephone for an application form to: W. M. Coley, Factory Personnel Manager, Glaxochem Limited, Three Trees Road, Newbie, Annan, Dumfriesshire DG12 5QH. Tel: Annan (04612) 3661.

Glaxochem Limited

# **Financial Director**

**Computer Services Organisation** 

to £40,000 **Executive Car**  Several years established, highly acclaimed by its customer base within the financial community, and having achieved impressive profitability, our client is seeking a full listing at the beginning of 1987. Their products are based upon a total systems concept and are acknowledged as the best available and, therefore, justifiable confidence exists for further penetration into their extremely

Share Options & Benefits including relocation assistance

Midlands or South

Following flotation, it is highly likely that continued development will be in the form of organic growth and acquisition and consequently the need has been identified to engage an experienced Financial Director to play a major role in assisting in the formulation and implementation of strategy for ongoing success.

The successful candidate will be experienced in a services environment, ideally a Chartered Accountant by qualification and totally at ease in dealing with acquisitions and all aspects of high level financial negotiations.

Probably aged 30/40, you are now seeking a move that will enable you to capitalise upon your track record to date in an organisation that genuinely encourages personal career advancement.

Initial Written applications are invited, from which your relevance will be quickly determined and interviews arranged at your convenience in London, Birmingham or Manchester Please forward comprehensive Curriculum Vitae to Andrew Carter at the Birmingham address below.

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Glaxo

# ACCOUNTANT - A CORPORATE ROLE

c£18,000 p.a.

An influential position at the core of a dynamic business

BAA plc is one of Britain's newest public limited companies whose privatisation is planned for the summer of 1987. Through our subsidiaries we own and manage seven major U.K. airports. Our commercial approach, sound business planning plus effective management have achieved consistent profitability.

Today, more than ever, effective financial controls are shaping the future of a dynamic and exciting large business in a major growth sector. The Accountant we seek at our Corporate Office will be part of a small team and will play a vital role, producing and analysing financial information and preparing it for presentation to the Board. This will include reporting on the financial performance of every aspect of all our airports, profit and loss accounts, capital expenditure forecasts and, after privatisation, commentary on share performance.

Working against strict deadlines you will comment on complex business factors behind the figures and generally support decisionmaking at the highest level. You will also influence the development of financial

The need is for a fully qualified Accountant with 1+ years' experience although an exceptional newly qualified or finalist could be considered. Most importantly, we will be seeking a commercially astute, ambitious professional who is acutely aware of profit and loss and recognises the potential of this visible, key position.

Salary will be around £18,000 p.a. plus valuable benefits.

In the first instance, please send your c.v. to: Julie Spencer, Management Resources, BAA plc, Corporate Office, 130 Wilton Road, IA pic London SW1V1LQ.

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# Corporate Accountant

City

£19,000 plus car

Our client, an international UK based Service Industries Group needs to recruit a Corporate Accountant due to internal promotion.

Reporting to the Group Financial Controller this position requires the ability to understand the detail of management accounts, the preparation of group consolidated accounts, the ability to communicate with subsidiary Managing Directors and Finance Directors together with specific projects and investigation assignments and some overseas travel.

Candidates should be ambitious qualified Accountants with at least two years post qualification experience aged 25-28. Knowledge of computerised financial modelling techniques would be useful.

Interested applicants should write, enclosing a full CV and quoting reference number 12/41 to:-

173 SLOANE STREET LONDON SW1X 9QG

# **Financial Controller**

£28,000 + Car

Our client is a rapidly expanding non-institutionalised Financial Services Company that operates in a highly marketing orientated and aggressive market sector.

Director will be responsible for the preparation of statutory accounts and management accounts to strict deadlines. Duties will also include the development of sound financial controls, computerised systems, budgetary controls and financial planning.

The successful candidate aged 28-35 will be a graduate chartered accountant and will probably have knowledge of the Insurance Industry or ex-

perience from a highly commercial, services - related background. Exceptional communication skills and the ability to self-motivate are considered vital qualities.

The Financial Controller reporting to the Finance Prospects within the company are excellent and the attractive remuneration package will be negotiable for the outstanding candidate.

> Interested candidates should write to Andrew Sales, FCCA, Executive Division, enclosing a comprehensive curriculum vitae and a daytime telephone number to Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH, quoting reference 361.

Michael Page Partnership

International Recruitment Consultants London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide A member of Addison Consultancy Group PLC



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CITY

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We invite applications from Chartered Accountants, who must have had at least six months demanding experience gained, preferably, within a City environment or in the profession. This will include exposure to financial analysis and the development of management information. The selected candidate, who will report to the Manager of Accounts, will have the opportunity of making a major personal impact on this interesting accounting role and will be responsible for supervising a team of six and the accounting for all Bank expenditure, the production of monthly management accounts with variance analysis. Additional responsibilities include lease accounting and other regular and ad hoc activities both for the Bank and its subsidiaries. Essential qualities are initiative, self motivation, strong communication skills and the ability to manage and develop a diverse accounting team. Initial salary negotiable £17,000-£19,000, plus subsidised mortgage and excellent banking benefits. Applications in strict confidence, under reference MBYA/18401/FT will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJRA.

CAMPBELL-JOHNSTON RECRUITMENT ABVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1HBL

#### FINANCIAL CONTROLLER

An expanding and highly successful entertainment company seeks ambitious Financial Controller to ensure effective financial control of several group companies, and to be responsible for all planning, tax structure etc. This is a great position and a challenging opportunity for someone interested in a creative, enthusiastic and modern organisation.

Please write to: Box A0313, Financial Times 10 Cannon Street, London EC4P 4BY

#### FINANCIAL CONTROLLER

A fast growing asset backed catering company with 1987 turnover projected to increase from 750k to at least 1.5m now needs to oint an appropriately qualified energetic and progressive person to develop the company's controls and manage its East London Head Office Administration with the Company Secretary/Personnel and Wages Administrator. A salary of £15,000-£20,000 plus company car is presently envisaged.

> Please apply to the: Managing Director,
> DAVID BLUNT CATERING MANAGEMENT LIMITED,

# Regional Head of Audit

Leading Banking Group c.£25-28,000 + Banking Benefits

This is a new high profile corporate role with one of the foremost names in European banking.

Reporting directly to a Senior Vice President, who is based at Head Office on the Continent, the requirement is to establish a high-level inspection function to review all operating areas (banking international securities, broking) in the London Region. Particular emphasis will be on high risk areas and controls and the quality of

management information and profits. Auditing experience, either internal or external, must have been gained in a banking or broking environment and a professional accounting or banking qualification is highly desirable. The ability to interact effectively with management and qualities of drive and

initiative are paramount. The salary package is for discussion and will not bar the right calibre of candidate. The position offers broad

experience in all aspects of international banking and will lead to very good career development prospects, which will be discussed at interview.

Candidates should write enclosing a full CV quoting reference MCS/2038 to Milton ives, Executive Selection Division

Price Waterhouse Management Consultants No. 1 London Bridge London SE1.9QL

Price Waterhouse



# Consultancy



#### ·PEARSON·

#### **ASSISTANT TAX MANAGER**

Pearson pic, the UK holding company of an extremely successful International group which includes such companies as the Financial Times, Penguin, Royal Doulton and Lazard, is seeking to enhance its in-house experies through the appointment of an Assistant Tax Manager to its small, professional head office team in London.

The Assistant Tax Manager will share responsibility for the tax affairs of the head office companies and the organisation of group tax matters in the most tax-efficient fashion. Tax planning will be an

Candidates should be qualified accountants or Inspectors of Taxes with around two years corporate tax experience and be of sufficient calibre to work largely without supervision. Career progression can lead to another financial appointment at the head office or elsewhere within the group. For further information please contact Annie Maxey or Fran Friedman, consultants to the organisation for this assignment on (01) 831 2288. Evenings & weekends (01) 891 4767 or (01) 360 7902 respectively, or write in strictest confidence to:

Gabriel Duffy Consultancy, Financial Selection and Search, 31 Southampton Row, London WC1B 5HJ.

## **Internal Consultant**

#### **Bristol**

**£**Attractive + Car Our client is a subsidiary of a major Australian Public Company with worldwide group interests in minerals, minera \* Research and implementation of improvements to existing

processing, development, and investment. As a result of a continuing process of rationalisation, a position has arisen in Bristol for an Internal Consultant, reporting to a Manager in Europe.

The successful applicant will work with a large degree of autonomy, and consequently a mature approach to client relationships is essential. Emphasis will be placed on providing a service to all levels of management with the intention of improving bottom line performance.

Responsibilițies will include:-\* Review and appraisal of control systems in financial and

operational areas.

\* Practical recommendations to management. \* Participation in EDP systems development.

candidates of exceptional ability, with good communication skills and the desire to progress rapidly. The position requires up to twelve weeks travel per annum within the UK and

This is a "high exposure" position and will appeal to

Accountants with a sound technical base and a good understanding of computer based systems.

The excellent remuneration package includes a fully expensed

Interested candidates should respond to Renny Hayes BA, ACA at Michael Page Partnership, 29 St Augustine's Parade, Bristol BS1 4UL, or telephone him on 0272 276509 (24 hours).

Michael Page Partnership

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London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide Amember of Addison Consultancy Group PLC

#### **Financial** Controller

Fast Growing **Business** 

To £20,000 + Bonus + Car

Oxford

Located on the outskirts of Oxford, this highly successful injection moulding company, with a turnover of £8m, is seeking a commercially aware Financial Controller to join its small senior management team.

Following its recent acquisition by a major UK group, the company has now been provided with a key opportunity to accelerate its growth plans which include the likely acquisition of similar companies. The position calls for a highly motivated Qualified Accountant, aged

around 30-35, with several years broad based manufacturing experience involving the use of sophisticated computer systems. Career prospects, both within the company and the group, are

excellent for candidates who show drive and initiative, and who can contribute to the commercial development of the business. An attractive range of benefits is offered including relocation

stance where necessary. Interviews will be held in Oxford and London.

Please send concise details, including current salary and daytime telephone number, quoting reference R2010, to W S Gilliand, Executive Selection Division,

Grant Thornton Management Consultants

Fairfax House, Fulwood Place, London WC1V 6DW.

# **Appointments** Advertising

£41 per single column Premium positions will be charged £49 per single column rentimetre For further information, call: Louise Hunter 01-248 4864

Jane Liversidge 01-248 5205 Daniel Berry 01-248 4782

#### DIRECTOR

FINANCE AND INVESTMENT

**London West End** 

C£30,000 + Benefits

Our Clients are a Group of Companies, controlled by a successful entrepreneur who is involved in property and Financial Investment in the U.K. and U.S.A. Our Client is planning to consolidate part of his different activities and to expand through reorganisation and public quotation.

The candidate should have: A.C.A./M.B.A. qualification as well as entrepreneurial skills, considerable knowledge of financial markets, investment expertise, and be capable of research and analysis of investment opportunities, preferably with some experience

This position provides an excellent opportunity for an individual, preferably aged 29-36, who has drive and ambition for success and achievement, and is seeking an opportunity to use their skill to the full extent. Their involvement in this new phase of activity and their contribution to its success, would ensure participation in future expansion and profit.

Please send your applications to: BENJAMIN KAY & BRUMMERS, York House, Empire Way, Wembley, Middlesex, HA9 OOL.

Ref: V. Smith.

## **OPERATIONS AUDIT**

#### **Today's Young Accountants** -Tomorrow's Top Management £16,000 to £18,000+car+benefits

Wiggins Teape is recognised internationally as a leader in the manufacture and marketing of high technology papers, distributed through a wide trading network. Part of B.A.T industries, we enjoy an annual turnover of approximately £1,000 million and substantial sales and profits growth by taking leadership positions in growth markets with emphasis on quality.

Following recent promotion to line positions we are seeking a number of accountants to join our operations audit team. Active career development, good salary progression, early decision making

operations audit team. Active career development, good salary progression, early decision making authority and invaluable business problem solving experience combine to provide excellent career prospects. There is high visibility in the Group's control and audit function.

Based in attractive offices in Basingstoke you will work with senior executives, providing advice to subsidiaries management, undertaking special projects and reviewing and monitoring major areas of business activity.

For these positions you should be newly/recently qualified ACA, ACMA, or CACA or with up to two years further experience. Confident finalists awaiting results will also be considered.

"Communication skills are of key importance and

Communication skills are of key importance and you will also need strong analytical abilities to supply succinct solutions to business problems and to assure management on the adequacy of

You will receive a competitive remuneration package with benefits that include a non contributory pension scheme, BUPA, share participation scheme, five weeks annual holiday, relocation assistance, motor car and a salary negotiable between £16,000 and £18,000. Please write giving full personal and career

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Mr. I. R. Keith, Personnel Manager The Wiggins Teape Group Limited, PO Box 88, Gateway House, Basingstoke, Hampshire RG21, 2EE, Tels Basingstoke (0256), 20262.

WIGGINS TEAPE

# Group Management Accountant

Milton Keynes c.£20,000 + Mercedes-Benz car

Mercedes-Benz (UK) Limited, a wholly-owned subsidiary of Delmier-Benz AG in West Germany, is a leading importer of passenger cars and commercial vehicles in the United

Kingdom.

As Group Management Accountant, you will be employed in the classic accountants role at the heart of our expanding, fast-moving operation. Reporting to the Financial Controller and managing a department of 8, you will ensure that management and statutory group accounts are prepared to tight time deadlines, Close liaison with the managers of our retail outlets, and with our parent company in Germany, will be an essential element of your role.

Probably aged 30, you will be a qualified accountant with 3-4 years' experience in a supervisory position with a large organisation, in which you gained some exposure to micro-computers.

The career prospects are excellent and the earnings package is accompanied by a range of benefits including a fully expensed Mercedea-Benz car, life assurance, contributory pension scheme, discounted BUPA and relocation assistan where appropriate.

Please send full career and salary details to Mr R Hoskinson, Mercedes-Benz (UK) Limited, Mercedes-Benz Centre, Tongwell, Million Keynes MK15 8BA.

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# FINANCE DIRECTOR (DESIGNATE)

London

Our client is a young and growing group of companies specialising in sales promotion and marketing services. The group is both profitable and highly professional; it is expanding steadily and is continuously reviewing its future capital requirements.

The Board now intend to recruit a Finance Director who will report to the Chairman and the Group Board. As part of the executive team your brief will include the improvement of management accounting procedures and computer based financial systems, together with full involvement in strategic business planning. You will be responsible for the supervision of all finance functions, establishing a rapport with financial institutions, advising on legal matters and

to £30,000 + car

participating generally in the development of the business both through organic growth and by

Applicants will be qualified accountants with wide commercial experience. You must be decisive, practical and enthusiastic to make a positive contribution to the group's future growth. Experience gained in a fast moving sales/marketing environment would be an advantage

This challenging opportunity will suit only those who justify rapid appointment to the Board. The attractive remuneration package will include a bonus scheme.

Please write in confidence with full career details, quoting reference 5428/L, to John W. Hills, Executive Selection Division.



Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, London EC4V 3PD.

# Young Finance Director

South of England Salary Neg. Circa £30,000 plus car and benefits

Our Client is a major divisional profit centre of a significant British manufacturing company. The division, which currently has an annual turnover of around £40m, operates primarily in the aerospace industry. Substantial expansion and investment is planned over the next five years and beyond, built upon its already impressive cord of profitability and growth.

The newly appointed Managing Director is looking for a highly energetic, youthful, ambitious and committed Finance Director to work closely with him, not only in managing the financial aspects of the business but particularly in determining and developing the commercial strategy.

Candidates should be graduates with a professional accounting qualification. At least seven to ten years post-qualification experience is required in an environment which will have included high technology manufacturing in a sizeable industry and will have demanded excellent commercial awareness. Experience in acquisitions will

Salary will be negotiable around £30,000 with car, private medical insurance and non-contributory pension included in the benefits package. Relocation assistance will be offered towards the costs of moving to a very attractive part of Southern England. Applications, which will be treated in strict confidence, should be sent with a brief c.v. and details of current salary to W.D. Radcliffe (Ref 2231/1),
Vine Potterton Limited, 152/153 Fleet Street, London EC4A 2DH.

> VINE POTTERTON RECRUITMENT ADVERTISING

# Financial

Salary cf25K + Car + Benefits

Our clients, a leading firm of Architectural and Design Consultants who have enjoyed rapid growth and recognition in recent years, have identified the need to strengthen their financial team by the appointment of a Financial Controller.

Reporting to the Commercial Director, you will be responsible for the financial control of the company monitor its performance and in due course participate in investigations, acquisitions and systems development. The ability to work under pressure in this fast moving and demanding organisation is essential.

Candidates, likely to be around 30 years of age, will ideally be graduate Chartened Accountants who can demonstrate a progressive track record gained both in the investigation department of a leading professional practice and more recently in a dynamic commercial environment. Experience of computer systems and financial modelling would be an advantage.

If you meet these demanding criteria, you should send a detailed CV, including current salary, to Don Day PCA, quoting reference LM50/02 at Spicer and Pegler Associates, Executive Selection, Friary Court, 65 Crutched Friars, London EC3N 2NP.

Spicer and Pegler Associates Management Services

#### WORLD TRAVEL OPPORTUNITIES

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Our client is a US MULTI NATIONAL with annual turnover c \$1,500m employing over 12,000 people worldwide in one of TOMORROW'S INDUSTRIES.

probable age range 25-30 to fill vaccancies arising from INTERNAL PROMOTION.

Ideally successful candidates will have a fluent second European language, especially GERMAN OR ITALIAN, but this is not a sine qua non. A FAST TRACK career in this successful company awaits YOU!

Please telephone and send or to:
George D. Maxwell, Director
ACCOUNTANCY APPOINTMENTS EUROPE 1-3 Mortimer Street, London W1 Tel: 01-580 7739/7695 or 01-637 5277 ext 281/282



#### **BELHAVEN** PERTH

FINANCE DIRECTOR

£30k PACKAGE plus CAR

The Belhaven Group is currently re-locating its Head Office Management Team in Perth. As a preliminary to the implementation of a positive plan for significant expansion, organically mentation of a positive plan for significant expansion, organically and by acquisition, a number of key appointments are being made. The Finance Director, as a member of this team, will be responsible to the Chief Executive for the development and supervision of first class management and financial information systems and financial controls throughout the Group. Responsibilities will also cover Group accounting procedures, preparation of Statutory Accounts and financial appraisals.

The ideal candidates should be in the mid to late thirties with considerable commercial experience in a group environment, including the development of computerised systems. A high degree of commitment is expected.

Aplicants should send full Curriculum Vitae to:

THE BELLHAVEN BREWERY GROUP ple c/o Arthur Young, Chartered Accountants 2/4 Blackfrairs Street, Perth PH1 5ND

# **Head of Financial and Revenue Accounting**

Policy making role in a £ Multi-Million Business

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Yellow Pages is Britain's most successful dassified directory. Our imaginative leadership and dynamic style is geared towards increasing this success into the '90's

To help achieve this objective we are looking for a high-calibre professional to head up our Financial and Revenue

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You will be responsible for developing and implementing day-to-day policies which will ensure the highest levels of efficiency and accuracy, and for recommending long-term policy changes. This will involve producing and maintaining accounting records to

auditable standards, controlling the computerised revenue accounting system and developing the Introdusiness, Costiers, Purchase Ledger and Fixed Asset functions.
Candidates must be qualified accountants with an impressive track record in

a senior role, encompossing Financial and Treasury accounting and computerised systems. Good management and communications skills and the obility to work efficiently under pressure are essential.
Starting salary is up to £20,000,
depending on experience, together with those
benefits expected of a successful

Please write, with full cv, to Julia Cutler, Yellow Pages Personnel, Queens Walk, Oxford Road, Reading, Berks RG1 7PT.



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#### within an **International Environment**

Zimmer International, a division of the Bristol-Myers organisation, is a world leader in the manufacture and sale of orthopaedic implants and a number of other surgical and health care products. We are currently in the process of transferring our international head-quarters from Brussels to our prestigious new head office at Swakeleys House, lickenham, and have several career opportunities available:

Senior Financial Analysts

Reporting to the Vice President and Controller, you will be responsible for: the analysis, evaluation and interpretation of division and subsidiary financial statements; reporting of performance against approved operating plans; assisting in the development and submission of long-range plans and operating budgets as well as capital expenditure requests. A minimum of 5 years experience in a multinational environment, combined with a good knowledge of U.S. financial reporting is required, in addition, a second European language is desirable.

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In addition to the exceptional working environment, we are able to offer highly attractive remuneration packages and cereer opportunities only a world leading organisation can offer. If your experience and expectations match the above positions, please send your CV to Angela Ryan, Parsonnel Department, cto Zimmer International Limited, Swakeleys House, Militon Road, Ickenham, Usbridge, Middlesex UB10 aNS. Tel: (0895) 539911.

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Bovis International Limited, part of one of the U.K.'s leading construction companies, require an energetic young Chartered Accountant to work at their offices in Chiswick,

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This position is permanent and carries with it the usual benefits associated with this large group of companies. We are an equal opportunities employer.

Please telephone for an application form or write to: The Personnel Department, Bovis International Limited 10-13 Heathfield Terrace, Chiswick, London W44JE Telephone: 01-995 8961







#### Management career for a young qualified accountant

To £23,000 + car + excellent benefits Lendon

Internet Systems Corporation is an American organisation which is successfully expanding its European operation, implementing advanced systems for blue chip clients in the banking sector. It provides the world's first perpetually real-time international banking system.

The company now seeks an ambitious young accountant to become Manager of Finance and Administration and to report directly to the Director of European Operations and Marketing. It is a challenging role, organising and controlling the entire financial accounting and administrative activities of the European region from your London base. You would also liaise closely with regional management and U.S. executive in preparing budgets, contracts and policy setting. In addition to your qualifications, you will have a

minimum of 3-4 years' commercial experience, a proven track record of success within a servicebased environment, ideally, and self-evident man-management potential if not actual experience. Plus, of course, the personality to integrate into a dynamic organisation.

Rewards include a salary of up to £23,000 p.a. plus car and a share option scheme, incentive compensation, health care, permanent health and life assurance and five weeks' annual holiday.

Initially, concise career details with a contact telephone number should be sent to the address below for confidential consideration. Early interviews with suitable candidates will be arranged at our client's London office. Please quote reference 626.

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Personnel Consultants to the Banking & Financial Sectors

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This is an opportunity to join part of a leading retail group at an exciting stage in its development. The division is embarking on a fundamental reorientation of its business under the direction of a new and dynamic divisional board. The Finance Director's contribution to this process of chistonal board. The Finance Director's contribution to this process of change will not only be in areas of financial planning and performance analysis. By interpreting data, identifying trends and analysing risk/opportunity factors he (or she) will make a direct input to policy decisions and so influence the division's growth and profitability. Qualified applicants must have a proven track record in a comparable, fast-moving environment. Age - mid 30's. Location - Home Counties. The package includes an unusually attractive range of benefits and a potentially substantial, profit-related bonus. Ref: 1631/FT. Write or telephone for an application form or send full details, (with telephone numbers and current salary) to R.A. Phillips, ACIS, FCII, 2-5 Old Bond Street, London W1X3TB. Tel: 01-493 0156 (24 hours).

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#### CHIEF ACCOUNTANT

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A rapidly expanding private publishing and printing group with annual sales of over £20 million, seeks an ambitious accountant to manage the accounts department at the Group's Head Office.

The Chief Accountant will report to the Financial Director and assist him in group financial matters, whilst on a day to day basis supervising three section managers responsible respectively for financial accounting, credit control and computerisation. The successful candidate will play a significant role in the development of improved management information

Applications are invited from Chartered Accountants around 30 years of age who combine proven ability to manage and motivate an accounts department with experience of computerised systems.

Please send a comprehensive career resume, including salary history and day-time telephone number, quoting ref: 2720 to W.L. Tait, Executive

# **△ Touche Ross**

The Business Partners Hill House, 1 Little New Street, London EC4A 3TR. Telephone: 01-353 8011.

# **Chief Accountant** c.£22K+Car

Multitone Electronics PLC is a leader in the design and development of radio paging and office communication products, currently introducing major new

We are seeking a young ambitious Management/Cost Accountant to be responsible for the preparation and development of management accounts to monitor the performance of our U.K. companies.

The successful candidate will also ensure that the costing system is maintained and enhanced, and that budgets and forecasts are adequately prepared. ICMA or equivalent qualifications plus appropriate experience are required.

The full range of financial accounting duties are covered, and a knowledge of industrial grant procedures would be useful. With a Head Office staff of 15, previous man-management experience is essential. There is also functional responsibility for accounts staff on two other U.K. sites and some travel will therefore be necessary.

A comprehensive benefits package including car, private medical insurance and life assurance plus a contributory pension scheme is offered.

Please send full c.v., explaining in a covering letter how you meet the above requirements to:

Ian Smith, Personnel Manage Multitone Electronics PLC., 12 Underwood Street, London N1 7JT. Telephone: 01-2537611

multitone

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Capital-intensive, high-growth service business

Substantial salary  $\cdot$  Executive car  $\cdot$  Attractive benefits Board appointment envisaged within two years

SOUTH EAST ENGLAND

Contract Hire market, with a planned programme for significant growth and diversification.
The Financial Director Designate
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Marley Vehicle Leasing is a strategic company within the highly successful Marley Group and is a major force in the Vehicle

Good Time To the Board within two years to replace the present Financial Director on his retirement. Applicants under 30 are unlikely to have the maturity and experience required.
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> Please write with full career details and salary history to: Doug Glen, Managing Director, Marley Vehicle Leasing Ltd, PO Box 31, Riverhead Sevenoaks, Kent TN132YY. Tel: (0732) 455255.



# GROUP TAX MANAGER

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From £25,000 + car abreast of tax development worldwide and

advising group management on the tax implications of its ambitious growth

Applicants, preferably graduate chartered accountants aged 35 to 45, must have wide practical experience of corporate and personal tax matters relevant to a substantial group operating worldwide; they should have a positive commercial approach and the personal qualities necessary to contribute to group strategic planning. The salary is negotiable plus car and good benefits.

Please write in confidence with full career details, quoting reference 6394/L to John W. Hills, Executive Selection Division.



Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfrians, London EC4V 3PD.

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The capital city of Scotland, established centre of finance and commerce, is seeking a Director of Finance. This key post will be involved in the financial planning process and will administer the financial affairs of the Council as well as managing and co-ordinating the activities of a Department which employs approximately 100 staff.

The postholder requires an understanding of the problems of local authority finance in the light of the current economic situation and also the ability to ensure the translation of the financial aspects of the Council's policy objectives into achievements.

The successful candidate should be a qualified accountant with extensive relevant managerial experience gained at a high level preferably in the public sector. Application forms and further details are available from the Director of Personnel and Management Services, City Chambers, 249 High Street, Edinburgh, EB1 1FL Telephone: 631-225 2424. Ext 6419/6425.

Closing date: 14 November 1986

"Edinburgh District Council is an equal opportunities employer. Applications are invited from women and men, from all sections of the community, irrespective of ethnic origin, disability or sexual orientation, who have the necessary attributes for the post."

Cityof Edinburgh

IMPROVING SERVICES

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#### Public group

This group of companies with turnover approaching £150 million is unusually diverse in its operations and exceptionally ambitious in its plans.

The dramatic growth achieved so far now requires the appointment of a Secretary who will take responsibility for the full range of corporate legal, secretarial and administrative matters including insurances, pensions and properties.

Candidates, male or female, preferred age early 30s to middle 40s, must have

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Salary negotiable around £25,000; excellent benefits including cer, relocation help if needed, and share option prospects.

Please send career details, in confidence, to D. A. Ravenscroft.

# Ravenscroft & Partners

Search and Selection 20 Albert Square, Manchester M2 5PE

# New Post for **Young Accountant**

Globe Investment Trust P.L.C. is the largest listed UK investment trust with an investment portfolio of spinoximately \$250cm. Following the planned expansion of the umilsted part of the portfolio to \$100m. Globe wishes to create a new post in its annul Head Office Investment Department.

#### **Investment Assistant**

st un

(unlisted investments)

A recently qualified Chartered Accountant or similar professional is needed to assist in the management of the increasing number of unlisted investments being made by Globe. The job will involve analysing new propositions in detail and monitoring existing investments, working in close collaboration with the investment Manager responsible for the unlisted portfolio. Globe is particularly active in financing management/feveraged burgot and properly projects with significant equity potential.

The successful candidate will have broad commercial experience and a working knowledge of unlisted investment would be useful but is not essential. Starting salary will be negotiable depending on experience, and will be part of an attractive financial package.

To apply, write in confidence with brief career details to Mr. J.P. Craze, Secretary, Globe investment Trust P.L.C., Electra House, Temple Place, London, WC2R SHP. Telephone 01-836 7766.



Globe Investment Trust P.L.C.

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services.

Due to rapid expansion we are now recruiting for the new position of Financial Controller, reporting to the Managing Director, to take direct responsibility for the accounting function through a staff of sic. Key areas include financing and funding of assets, management of credit control, further development of computerised systems and the function of Company Secretary.

ment of computerised systems and the function of Computerised Systems and the function of Computerised Systems should be aged between 28-32, must hol darecognised accountancy qualification and preferably be educated to degree level. Experience of computerised systems within a broad commercial environment is essential. Motor trade knowledge a distinct advantage.

In addition to salary and a 2-litre car, normal benefits, including family health insurance and pension, will be applicable. A full cv, including details of career and salary progression to dote, should be sent to: Haines Watts Recruitment Services Reference: R108, Palladium House, 1-4 Argyll Street I andon WIV 4AD London WIV 4AD Haines Watts Recruitment Services



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Department of Business and Management Studies

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Tel: 061-736 5843 extn 215 to whom completed applications should be returned by 21 November 1986, quoting reference BA/48/FT The University is an equal opportunity employer Informal enquirles may also be made to Professor K. P. Gee (Exin 7096)

Red Hall, Barbican Exhibition Centre, London EC2. 4-6 November 1986



From the fourth till the sixth of November the Accountants' Exhibition comes to the Barbican. Three days of the most exciting innovation from some of the best established companies servicing the profession.

Thursday 6th November

Once again the exhibition encompasses all areas from computers to leasing, from venture capital to office equipment. With each product of specific interest for those involved in finance. Be it commerce, private practice or public service.

On this occasion, and to mark the fifth successful year of the exhibition the sponsors, Accountancy Age, will be hosting a series of seminars.

Details of the seminars, along with complimentary tickets to the Exhibition are available from visitor department,

Accountants' Exhibition. 216 Goldhawk Road, London W12 9NX. Tel. 01-749 9535.

WITH BUSINESS CARD



# SECTION II - COMPANIES AND MARKETS **FINANCIAL TIMES**

Thursday October 30 1986



#### **USX** unveils strategy for defence ahead of move to restructure

BY OUR FINANCIAL STAFF

USX, the hard-pressed steel and energy group which is the object of a takeover approach by Mr Carl Icahn, the New York financier, yestenday unveiled some of its defensive strategy and said a full year.

the company and was "very pleased" with his profit on the deal. Mr Roderick was due to hold mr Rocertek was one up that profit was solom on sales or talks with Mr Icahn last night, but \$15.7hn.

repeated that he had no intention of paying "greenmail" for the 11 per est US steelmaker which has lost cent stake which the renowned corporate raider has built up in the company. He said that earlier talks other quarterly loss with a state-with Mr Icahn had mainly turned on the conditions under which USX a fourth-quarter net profit. The - formerly known as US Steel - company said it expects to recog-might allow him to inspect its ac-counts. Mr Icahn recently made a quarter as a result of tax credits. proposal to buy USX for \$31 a share Actual tax refunds from the credits

Among the defensive measures Third-quarter net losses totalled revealed by Mr Roderick yesterday \$71.3m after various gains totalling was a scheme to offer contracts to about 20 senior executives, includ- \$76.8m in the corresponding 1985 ing Mr Roderick himself, to stay period which was after a non-recurwith the company.

The company had earlier reported a third-quarter loss, after mak-

Third-quarter net losses totalled standard plan prepared by its financial advisers would be completed within the next few days.

Mr David Roderick, USX chairman, also said that Mr Robert Mr David Roderick, USX chairman, also said that Mr Robert Holmes a Court, the Australian businessman, had sold his stake in the company and was every or \$1.70 per share on sales of \$123. The court of \$125 me. \$12.2bn. The corresponding 1985 net profit was \$509m on sales of

> will not be received until 1988. \$29m. This compared with a loss of

serious about its intention of taking over the second biggest banking group in the US.

Mr Don Crowley, a leading bank analyst with the San Francisco office of Keefe Bruyette & Woods, says that the \$22 share all paper offer will have to be given "very seri-ous scruting" at next Monday's meeting of the BankAmerica board. Not that the more than 5,000 co convention had been left in much doubt about First Interstate's ambitions. Mr Joseph Pinola, First Interstate's 61-year-old chief execu-

tive, has been highly visible in San Francisco - BankAmerica's home town - for the last few days. Whether it was at the endless round of lavish cocktail parties and private dinners, which make the ABA convention the social high-light of most US bankers annual calendars, or at the panel discussions on the future of US banking, Joe Pinola has been staking out his claim to be allowed to rescue Bank-America from its deep-seated prob-

ring pre-tax charge of \$35m North American quarterly



of one of the proudest and best known banks in the world. Hostile takeover bids are virtual-

dustry and Mr Pinola's moves have caused consternation in the bank-ing establishment, where he is re-\$16. The revised proposal involves a garded as an ambitious renegade. Security Pacific, the second biggest Californian banking group and one of better-managed major US banks, has said publicly that BankAmerica should be allowed to remain inde-

bankers voice their displeasure in private at First Interstate's dogged pursuit of its much larger rival. However, many analysts believe that with this latest offer, which is above BankAmerica's book value

Pinola's advances make him the most visible serious contender, writes William Hall in San Francisco

and a substantial premium above Tuesday's closing price of \$13%, First Interstate has set in motion a train of events which will either lead to the takeover of BankAmeri-ca or trigger far-reaching financial changes to enhance stockholder We continue to believe that the

combination of our two institutions provides unique and substantial ad-vantages for the shareholders, employees and customers of BankAmerica and First Interstate, says Mr Pinola. "These advantages include financial flexibility from purchase accounting and the capital we bring to the combinations – significant the the troubled group, has been keeping a low profile during the ABA festivities – uncharacteristic behaviour for the chief executive achieved by BankAmerica as effective to the combinations – significant to the combinations of the combinati tively under any other business

First Interstate valued its initial ly unknown in the US banking in- offer for BankAmerica at \$18 although stock market analysts said package of "primary capital" securi-ties worth \$22 per share.

Each of BankAmerica's 154.5m shares will be exchanged for 0.22 shares of First Interstate common

share of a perpetual, participating preference stock worth at least \$7. First Interstate says its offer would provide for the immediate restoration of dividend payments to BankAmerica common shareholders. McKinsey, the management consultants, has estimated that sav-

ings from the combination of the

two groups could range from \$475m

to \$695m annually within a few years after the effective date of the First Interstate plans to take ad-vantage of sizable purchase accounting adjustments and the possible elimination of overlapping business segments to sell a substan-

tial amount of BankAmerica's assets including non-performing assets. It says it can do this in "a more tax efficient and capital efficient manner than could be accomplished by BankAmerica alone." Mr Don Crowley, in common with several other analysts, had estimated that First Interstate would have

to offer between \$18 and \$20 a tion of pulling off a deal. Mr Crow-ley estimates that the intrinsic value of the latest offer is around \$20 a York is the most likely place.

ing over BankAmerica and says



Mr Joseph Pinola

in acquiring some or all of Bank-America. Although New York banks like itself are currently barred from making acquisitions in California, Mr Crowley believes that if Ban-kAmerica wants to find a friendly "white knight" to rescue it from Mr Pinola's First Interstate, then New

New York banks will be allowed He describes First Interstate's to acquire Californian banks in four latest offer as its "best shot" at taking over BankAmerica and says could conceivably offer to inject urthat if there are other serious bid- gently needed capital into BankAmders "this is the time they will come out of the woodwork."

Citicorp, parent of the biggest US bank, is rumoured to be interested

Early Herstates and Share price will probably ging best cline of its chances of companies the group when the interestate bank bank, is rumoured to be interested.

A rival bid could come from over in US corporate history.

ing aggressively in the US and BankAmerica with its huge retail banking network could be a tempt-Japanese banks and brokerage firms have much more capital than most of their US rivals and a \$1bn

Finally, BankAmerica could turn for help to its many wealthy well-wishers in the San Francisco business community who are desperate ly concerned at the way the balance of financial power in the state is slipping out of the city and down to Los Angeles – home of both First Interstate and Security Pacific. Mr Richard Blum, a wealthy inestor and husband of San Francis

co's mayor Dianne Feinstein, hit the headlines last weekend after it was disclosed that he had offered to raise 51bn for BankAmerica. Another investor group led by Mr Stanley Hiller, a local financier, had also earlier offered to raise

First Interstate is the most visible serious contender for BankAmerica's hand at the moment but as Mr Paul Minch, a senior vice president of First Interstate admits, the

In the short term, the performance of First Interstate's own mating the biggest banking take-

# Daimler rights issue expected

BY ANDREW FISHER IN FRANKFURT

DAIMLER-BENZ, the West German vehicle manufacturer which has been extending its other industrial activities rapidly, is expected to be eligible for the to announce a rights issue shortly that will raise more than DM 520m.

DAIMLER-BENZ, the West German vehicle manufacturer which to hold its dividend for the full year steady at DM 12 — the new shares unions that dividends are not going up and also satisfying owners of the shares.

The go-ahead for the rights issue

The Stuttgart-based company

mark the group's centenary.

The rights issue is expected in person to close the year with further satisfactory profits.

However, Daimler would not confirm the rights issue, nor the expected increase in its nominal share canital by DM 1787 to TMS.

By contrast, Mr Tom Clausen, Mr Pinola's old boss at BankAmerica

FIRST INTERSTATES increased

bid of \$3.4bn for BankAmerica, the troubled West Coast banking group,

came only bours before yesterday's closing ceremonies of the American Bankers Association's annual con-

vention and was the latest remin-

der that First Interstate is deadly

The go-ahead for the rights issue may be given at next week's regular board meeting of Daimler, which now also includes the AEG electrisaid earlier this week that sales had been rising strongly and that it expected to close the year with fur
The rights issue is expected in the market to be on the basis of one now also includes the AEG electrine where for 11 already held at a cal concern, the MTU engine makes the control DM 150 a broad in the market to be on the basis of one now also includes the AEG electrine where the market to be on the basis of one now also includes the AEG electrine where the market to be on the basis of one now also includes the AEG electrine where the market to be on the basis of one now also includes the AEG electrine where the market to be on the basis of one now also includes the AEG electrine where the market to be on the basis of one now also includes the AEG electrine where the market to be on the basis of one now also includes the AEG electrine where the market to be on the basis of one now also includes the AEG electrine where the market to be on the basis of one now also includes the AEG electrine where the market to be on the basis of one now also includes the AEG electrine where the market to be on the basis of one now also includes the AEG electrine where the market to be on the basis of one now also includes the AEG electrine where the market to be on the basis of one now also includes the AEG electrine where the market to be on the basis of one now also includes the AEG electrine where the market to be on the basis of one now also includes the AEG electrine where the market to be on the basis of one now also includes the account of the market to be on the basis of one now also includes the account of the market to be on the basis of one now also includes the market to be on the basis of one now also includes the market to be on the basis of one now also includes the market to be on the basis of one now also includes the market to be on the basis of one now also includes the market to be on the basis of one now also includes the market to be on the basis of one now also includes the market to be on the bas

firm the rights issue, nor the expected increase in its nominal share capital by DM 176m to DM 20.

By paying the same dividend on Deimler above where placed by Deutsche Bank, which took over the enlarged capital, the group and its 10 per cent stake in Daimler.

#### **Tandem** sharply higher

TANDEM COMPUTERS, the California-based computer manufacturer, reported significantly improved earnings for fiscal 1988 and the fourth fiscal quarter ending Sep-tember 30 despite a generally weak

Earnings in 1986 increased by 86 per cent to \$83.8m or \$1.44 per share last year. Revenues increased 23 per cent to \$767.8m from

For the fourth quarter Tandem reported a 94 per cent rise in net in-come to \$21.8m of 47 cents per share compared with 1985 fourthquarter income of \$11.1m of 27 cents per share. Revenues for the quarter grew from \$173.8m last year to \$220.6m in fiscal 1986. International sales were particu larly strong, Tandem said. In the US the market remained "relatively

weak" but business grew, the com

Amer lifted by motor division

pany said.

AMER, the Finnish motor, com nications and tobacco group, re-ports higher sales and profits for the year ended August 1986 and says the current year will show fur-

Sales for last year rose by 20 per cent to FM 2.97bm (\$430m) and profits before tax increased by 45 per cent to FM 192m. At the per level, earnings improved to FM 17.4 from FM 14.4.

Amer says sales have been espe cially strong on the motor side. It says following important capital in-vestment, this division now accounts for more than half of total

# Fiat to raise L321bn for reorganisation

THE FIAT group yesterday announced a large-scale reorganisation of its components companies underpinned by a L321bn (\$228m) lire rights issue.

with Matra's Solex and Jaeger. control as will the heating and air conditioning companies, Comind, Borletti and Autoclima.

This new company is now to be brought under the umbrella of Figure 1. The reorganisation means that brought under the umbrella of Figure 2. The changes follow on the agreement with Matra which created last month a new company grouping together Fiat's Weber, Veglia Borletti and Cavis components companies

The changes follow on the agreement with Matra which created last Magneti Marelli which will in function of the companies of the changes follow on the agreement with Matra which created last Magneti Marelli which will in function of the companies of the changes follow on the agreement with Matra which created last Magneti Marelli which will in function of the companies of the changes follow on the agreement with Matra which created last Magneti Marelli which will in function of the companies of the changes follow on the agreement with Matra which created last Magneti Marelli which will in function of the changes follow on the agreement with Matra which created last Magneti Marelli which will in function of the changes follow on the agreement with Matra which created last Magneti Marelli which will in function of the changes follow on the agreement with Matra which created last Magneti Marelli for authors and Cavis components companies of the changes follow on the agreement with Matra which created last Magneti Marelli which will in function of the changes follow on the agreement with Matra which created last Magneti Marelli which will in function of the changes follow on the agreement with Matra which created last Magneti Marelli for authors and Cavis components of the changes follow on the agreement with Matra which is financed and the remains around Magneti Marelli for authors around Magneti Marelli for a formation of the changes for a formation of the changes for a fo

#### Chevron hit by slide in sales

By David Blackwell in New York

CHEVRON, the large West Coast oil group, followed the trend in thirdquarter oil results with a 15 per cent decline in net profits to \$208m or 61 cents a share from \$245m or 72

Nine-month earnings also fell by 15 per cent, from \$946m or \$2.77 a share to \$810m or \$2.34 a share. Sales fell more steeply from \$10.3bn to \$6bn in the quarter, and from \$34.6bn to \$21.7bn for the nine

Mr George Keller, chairman, said the result reflected "the difficult environment in which the oil industry

is operating."
Tenneco, the Houston-based conperate which has been hard hit by the decline in energy prices, re-ported a 73 per cent increase in net losses for the third quarter to \$246m or \$1.78 per share, following a \$249 loss from discontinued oper-

Income from continuing opera-tions totalled \$3m - a sharp reduction from the \$75m figure reported in the third quarter 1985. The loss per common share (after preferred

#### Founder's son takes over at Dassault

MR Serge Dassault, the son of Mr plans to reduce its workforce by Marcel Dassault who died last 700. April, was yesterday appointed the new chairman of the French Das-sault-Breguet aircraft manufactur-

votes in the aerospace group, abstained in the election of the new per cent of the voting rights chairman, underlining its differences with the son and heir of the part of its shares.

company's founder. The Government indicated that it it would seek a "satisfac

to make job cuts for the first time in

power struggle has taken place be-tween Mr Serge Dassault and Mr ing group founded by his father. He takes over from Mr Benno-Claude Wallieres who reached retirement at 76.

However, the French Government which controls the manufacture of the shares. The French Government which controls the manufacture of the shares. The French Government which controls the manufacture of the shares. ment, which controls the majority ermnent controls 46 per cent of the

tory comhad preferred to abstain rather promise" with Mr Dessault over the than block the appointment to management structure. It wanted a avoid a deterioration in the already the company with Mr Dassault acting as chairman and an aerospace executive heading a separate executive heading a separate executive council.

cient level of orders. The company employs nearly 16,000 people and management structure. The Government is now likely to

# THE SWISS INVESTMENT BANK **WITH A GLOBAL** TRADING PRESENCE

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## **Bank of Scotland Home Loan Rate**

Bank of Scotland announces that with effect from 31st October, 1986, Bank of Scotland Home Loan Rate will be increased from 11.00% per annum to 12.25 % per annum.

> Bank of Scotland, Head Office, The Mound, Edinburgh, EHI IYZ.

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#### **NOVA AN ALBERTA** CORPORATION



Can \$100,000,000 10% Series B Debentures due 1996 100,000 934% Income Warrants to subscribe for US\$100,000,000 8%% Series C Debentures due 1994

Notice is hereby given that in accordance with the Terms and Conditions of the Income Warrants the last date for exercise of such Warrants will be 20th November, 1986 and all Warrants remaining unexercised after such date will be cancelled at close of business 21st November,

Holders of unexercised interest in the Global Warrant will have their account at Euro-clear or CEDEL credited with interest at the rate of US\$4.875 per Warrant value 21st November, 1986.

(a) Warrantholders desiring to exercise any Warrants must deliver to Euro-clear or CEDEL, as applicable, so as to be received by 10:00 a.m. (Brussels or, as the case may be, Luxembourg time) one business day in Brussels or Luxembourg, as the case may be, prior to the Exercise Date (as defined below), a notice (the "Warrant Exercise Notice") in the form required by the Warrant Agreement, which form is available at the office of Euro-clear in Brussels and CEDEL in Luxembourg and at the office of the Warrant Agent:

(i) specifying the aggregate principal amount of Debentures to be subscribed on the exercise of the Warrants and the date on which the Warrants are to be exercised (the "Exercise Date") (which shall be a business day in New York City and Brussels or Luxembourg, as the case may be, not later than November 21, 1986);

(ii) specifying the account number at Euro-clear or CEDEL as the case may be, to which the Warrants being exercised are to be debited on receipt by Euro-clear or CEDEL, as the case may be, of the Warrant Exercise Notice from the Warrantholder (the "Securities Clearance Account") and the account number from which the Exercise Price (plus net interest as aforesaid) in respect of the Warrants being exercised is to be debited, for value on the Exercise Date, on such receipt (the "Cash Account"); and

(iii) certifying that the beneficial owner of the Warrants being exercised is not, and the neficial owner of the Debentures to be issued on exercise of the Warrants will not be.

(b) Payment of the Exercise Price (plus net interest as aforesaid) shall be in the lawful currency

(c) Delivery of a Warrant Exercise Notice to Euro-clear or CEDEL, as the case may be, shall constitute an irrevocable election by the Warrantholder to exercise the Warrants specified therein and an irrevocable authority to Euro-clear or CEDEL, as the case may be, (i) on receipt by Euro-clear or CEDEL, as the case may be, of the Werrant Exercise Notice, to debit the Securities Clearance Account of the Warrantholder with the Warrants being exercised and to debit the Cash Account of the Warrantholder for value on the Exercise Date with an amount equal to the Exercise Price (plus net interest as aforesaid) in respect of the Warrants being exercised and (ii) on the Exercise Date to credit the Securities Clearance Account of the Warrantholder with an interest in the temporary Global Debenture representing the Debentures equal to the aggregate principal amount of the Debentures being

(d) The Warrantholder shall make such arrangements as Euro-clear or CEDEL may from time to time require to ensure the timely payment to the Cash Account of such Warrantholder with Euro-clear or CEDEL of the Exercise Price (plus net Interest as aforesaid) in respect of all Warrants being exercised. If timely payment is not made as aforesaid, neither Euro-clear, CEDEL the Warrant Agent nor the Company shall have any obligation or liability in

Warrant Agent



ORION ROYAL BANK LIMITED

A member of The Royal Bank of Canada Group

#### INTERNATIONAL COMPANIES and FINANCE

# Foreigners acquire 15% of MAS

THE MALAYSIAN Govern- shares were given out to prement has successfully sold determined buyers or distri52.5m shares of Malaysian Airbuted to foreign brokers for response by foreign investors
line System, representing 15 placement.
per cent of the airline, to The MAS sale followed the foreign confidence was returnforeign investors— the third sale of 65m charge in Simo investors accounts foreign investors are finding. line System, representing 15 placement, per cent of the airline, to The MA

to foreigners within a month.

The MAS shares were sold at the current market price of dated Plantations by Sime itself 4.5 ringgitt each, raising 236m earlier this month. These sales ringgit (US\$90.7m) represent efforts by the

foreign investors — the third sale of 68m shares in Sime ing to the Malaysian economy big sale of Malaysian blue chips Darby by Peremba, a govern- after the Government's overing to the Malaysian economy whelming victory in last

August's general elections.
Local stockbrokers expressed surprise that no discount was earlier this month. These sales surprise that no discount was ringgit (US\$90.7m).

It is understood that the mandate for the placement of the shares was given to Rashid Hussein Securities, a local firm, but it was not known whether the

foreign investors are finding MAS shares reasonably priced, because of the weak ringgit, particularly compared with the yen

and sterling.
Some 30 per cent of MAS was originally floated, and overseas buyers—while excluded from the issue—were subsequently allowed to make nurchases in the Kuala Lampur

to recover.

Meanwhile, bankers have welcomed several decisions in

These include the creation of a national mortgage corporation to manage the secondary mortgage market due to start next year; the lifting of the exemption limit on the 5 per cent withholding tay on denosits.

cent withholding tax on deposits of saving accounts from 1,000 ringgit to 5,000 ringgit; and allowing merchant banks

"which satisfy certain prudential criteria" to issue negotiable certificates of deposits.

#### By John McIlwraith in Perth A LAND release announced in Perth yesterday has paved the way for Western Australia's biggest redevelopment scheme. International expressions of interest are being sought from

a 14-hectare site in Fremantle with a 400 metre frontage to the Swan River. The site, to be called The Anchorage, is located between Fremantic traffic bridge and Stirling bridge.

developers and financiers for

**Fremantle** 

set for

A\$500m

development

Currently used for industrial purposes, the land has been given a "development zone" classification to provide maximum flexibility to potential

developers. Western Superannuation Board, which has consolidated the land over the past three years, believes that the final development will have a capital value well in excess of A\$500m (US\$321.4m), substantially greater than the A\$300m Burswood Casino project which currently ranks as the state's biggest development. the state's biggest development.

Mr Len Brush, the board's chairman, said that the expressions of interest would be sought nationally and internationally to ensure that the best possible use was found for The Anchorage. "This is one of the biggest development consortunities which will ever be offered in Western Australia."

A number of design concents A number of design concepts had been prepared, embracing multi-storey residential, commercial and retail, and leisure uses based on a hotel with extensive marina facilities. But Mr Brush added that the chosen developer would have complete

developer would have complete freedom of design within normal planning constraints.

Marketing of the anchorage, which is being handled by Richard Ellis, the international real estate company, with a deadline for initial expressions

of interest of December 22. Meanwhile, Perth's tallest building, the landmark St Martins Centre, is to be offered for sale by tender. The announcement was made by Mr Colin Trumble, chairman of St

Martins Properties (Australia) developer and owner of the ten-year-old building.

The complex features front-ages to St George's Terrace and the Hay Street Mall, Perth's commercial and retail centre.

Marketing will include emphasis on overseas investors in light of the recently-relaxed guidelines for foreign owner-ship of Australian property.

"St Martins Centre represents the largest city investment proexpects its profits decline to slow following an increase in domestic sales of computers and communications equipment.

Full-year pre-tax profits are expected to reach Y30hn, down

# Malaysia drops creditor protection proposal

BANKS IN Malaysia have The banks have agreed that reached a compromise with the government over its controled companies to their debt proposal to introduce amendments to the Companies to their debt problems, and in some cases, and in some cases, and in the current session of may convert part of their debt to the Trade and Industry and Industry and Industry Industry last month around that the creation of their loans into accust to the Trade and Industry Indus amendments to the Companies Act in the current session of

The Government has agreed to drop the amendments in return for an assurance that brior approval from the and would erode business continum for an assurance that balaysian central bank, and up banks would view the loan to 25 per cent of a bank's share-problems of ailing compaines sympathetically, and refrain from taking winding up action unless absolutely necessary, a senior Finance Ministry official to Chapter 11 of the US Bank-ruptcy Code, would be abused to before the Bill becomes law, before the Bill becomes law, endured business confidence.

The Government feels there are companies which have encountered liquidity problems and are unable to service their loans because of the collapse of the US Bank-ruptcy Code, would be abused last year. It said these com-

BY JIM JONES IN JOHANNESBURG

Parliament that would give fin-ancially troubled companies Under existing rules, the judicial protection from banks can take up to a maximam of 5 per cent in the equity of a company without

Strong sales and earnings

advance at Edgars Stores

EDGARS STORES, the fashion The directors say that national

nomy our of recession.

Turnover rose by 24 per cent to R423m (\$186.3m) in the 26 weeks to September 27 from R342m in the corresponding period of 1985. Pre-tax profits more than doubled to R35m from R15m.

credit (predominantly and cash trading sectors.

Interim per share ear rose to R8.53 from R3.7 from

The banks, in a memorandum to the Trade and Industry Ministry last month, argued that providing judicial protection to ailing companies would prompt creditors to wind up companies before the Bill becomes law, and would erode business con-

#### New Zealand group bids A\$78.8m for Hanimex

BY OUR FINANCIAL STAFF
CHASE CORPORATION, the aggressive New Zealand investment company which has been seeking a UK property presence, yesterday turned its attentions to Australia and to the consumer goods industry with a Western Continental Corporative Hamimex, the Sydney-based photographic and audio-visual products group.

Chase, which already claims a 17.7 per cent stake in Hanimex picked up mainly in Australian markets, is to offer the stal A\$1.15 a share for all of the valued at A\$28.7m. and clothing chain controlled by South African Brewerles, has produced results which give one of the first corporate indications that South African consumers are willing to spend the economy out of recession.

Truporer was by 24 per cent

Interim per share earnings rose to R8.53 from R3.75 and

#### Société Industrielle d'Aviation

#### **LATECOERE**

Secondary Offering outside France of 110,000 Ordinary Shares (approximately FFr 75,000,000)

Swiss Bank Corporation International Limited

This announcement appears as a matter of record only

October, 1986

This announcement appears as a matter of record only.

# Bührmann-Tetterode nv

Rights issue of 980,658 ordinary registered shares/ bearer depositary receipts of ordinary shares.

Amsterdam-Rotterdam Bank N.V.

Algemene Bank Nederland N.V.

Bank Mees & Hope NV

Bank Gutzwiller, Kurz, Bungener (Overseas) Limited Commerzbank Aktiengeseilschaft

Baring Brothers & Co., Limited Nederlandsche Middenstandsbank ny

Pierson, Heldring & Pierson N.V.

Swiss Bank Corporation International Limited

October, 1986



Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V. on 27th Oct., 1986 U.S. \$123,71

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heidring & Pierson N.V., Herengracht 214, 1016 BS Amete

AIBI	BOND	INDICE	S	
WEEKLY EUR	ROBONED GUIDA	E OCTOBER	24 1986	
	Redemption	Change	12 Months	12 Months
	Yield	on Week	High	Low
146 - 11		%	10.00	
US Dollar	8.782	-0.250	10.680	8.738
Australian Dollar	14.293	-0.202	14.630	12.830
Canadian Dollar	10.504	0.003	11.704	10.373
Euroguilder	5.836	0.551	6.314	5.804
Euro Currency Unit	8.790	-0.509	9.524	8.164
Yen	6.414	-0.280	7.250	6.207
Sterling	11.403	0.662	11.932	9.751
Deutschemark	6.463	0.155	7.210	6.318
Sank J. Ventobel &	Co Ltd. Zurich	- Telesc	812744 JVZ	СН

# Fujitsu pre-tax profits fall 79%

the interim dividend has been lifted to R2.15 from R1.25. The

earnings exceeded the total R8.52 in the last full year,

FUJITSU, the leading Japanese computer maker which in the past week has annuonced deals with Fairchild of the US and FUJITSU, the leading Japanese unchanged interim dividend of computer maker which in the past week has annuonced deals with Fairchild of the US and Hitachi, yesterday reported pretax profits of Y7.19hn (\$44.9m) in the half year to September, a slide of 79.1 pe reent from a year earlier.

Net profits fell \$1.8 per cent against the US dollar slashed. For the second half, Fujitsu against the US dollar slashed. For the second half, Fujitsu against the US dollar slashed.

7688.32bn were barely unchanged from Y688.66bn for the cent of turnover, meanwhile, domestic sales grew 9 per cent,

Net profits fell 81.8 per cent proceeds from exports by Y4.09bn on sales which at Y48.5bn, Export sales fell by 27

Interim per share net earnings were Y2.61 compared with in sales to Nippon Telegraph Y15.63. Despite this sharp fall, the company intends to pay an telephone (NTT), the company intends to pay an expected to reach Y30bn, down in sales to Nippon Telegraph 20.8 per cent from a year tion in the UK, with ultimate control of the group held by the Kuwait Investment Office.

Spectrum Entertainment, Ltd.

Provided by DuC America Banking Corporation

A Subsidiery of Den norske Credithenk

Multiple Term Loan Facility

\$5,000,000

New York, NY 10020

Sales of electronic devices inunchanged interim dividend of

expects its profits decline to slow following an increase in domestic sales of computers and

#### **European Economic Community**

U.S.\$25,000,000

151/2 per cent. Bonds 1993

5.G. Warburg & Co. Ltd. announce that Bonds for the nominal amount of U.S.\$2,500,000 have been drawn in the presence of a Notary Public for the redemption instalment due 1st December, 1986.

The distinctive numbers of all Bonds drawn for redemption end with the digit 7 within the range of 7 to 4997 inclusive.

On 1st December, 1986 there will become due and payable upon each
Bond drawn for redemption, the principal amount thereof, together
with accrued interest to said date at the office of-

S. G. Warburg & Co. Ltd. Paying Agency, 6th Floor, 1 Finsbury Avenue, London EC2M 2PA

or at the office of one of the other paying agents named on the Bonds. Interest will cease to accrue on the Bonds called for redemption on and after 1st December, 1986 and Bonds so presented for payment must have attached all Coupons maturing after that date.

■ U.S.\$17,500,000 nominal amount of Bonds will remain outstanding after 1st December, 1986.

Some of the Bonds drawn for redemption on 1st December, 1985 with serial numbers ending in the digit 5 in the range 5 to 4995 have not yet been presented for payment.

30th October, 1986

#### Notice of Redemption US \$100,000,000

Citicorp Overseas Finance Corporation N.V. (Incorporated with limited liability in the Netherlands Antilles)

111/2% Guaranteed Notes due December 1, 1988 Unconditionally guaranteed by CITICORPO

NOTICE IS HEREBY GIVEN that Chicarp Overseas Finance Corporation N.V. (the "Company") has elected to redeem on December 1, 1986 (the "Redemption Date") at of its outstanding 111/2% Guaranteed Notes due December 1, 1988 (the "Notes") at a redemption price equal to the principal amount thereof plus integer accrued to the Redemption Date, on and after the Redemption Date, rest on the Notes will coase to occrue.

The Notes are to be redeemed at the main offices of Chibank, N.A. in London, Brussets, Paris, Frankfurt am Main, Amsterdam, Singapore, Hang Kong, at the main office of Citicarp Investment Bank (Luxembourg) S.A. in Luxembourg, or at the main office of Citicarp Investment Bank (Switzerland) in Zurich. The Notes should be presented and surrendered at the offices set forth in the pre-ceding perceptual on the Redemption Date with all interest coupons maturing subsequent to said date. Coupons due December 1, 1986 should be detached and presented for pay-

CTITCORP OVERSEAS FINANCE CORPORATION N.Y.

October 30, 1986



THE EUROPEAN INVESTMENT BANK invites entries for the

#### 1987 EIB PRIZE

The EIB, the European Community's bank which finances investment to stimulate economic productivity and further European integration; is to award 10 000 ECUs for a doctoral dissertation on investment and financing. The deadline for submission is 1 February 1987.

The rules governing the 1987 EIB Prize have been published in the Official Journal of the European Communities N° C 242 of 26 September 1986.

Information should be available at the relevant academic institutions. For further enquiries, please contact Mr Post, European Investment Bank, L-2950 Luxembourg. Tel; (352) 4379-4223.

#### INTERNATIONAL CAPITAL MARKETS and COMPANIES

# **EdF** brings long-expected \$125m non-callable deal

THREE borrowers rushed through an issuing window in the dollar Eurobond market yesterday as US Treasury bond

with a 74 per cent coupon and 1001 issue price. These terms looked attractive for a French state-guaranteed name, and the issue traded at a bid price of 987, within the level of its 17 per cent fees.

Electricite de France has swapped the proceeds into French and Belgian francs. Elsewhere, Toyota Motor Credit and Ford Motor Credit Credit and Ford Motor Credit issued bonds. Toyota's deel was for only three years, taking advantage of demand from investors, concerned about the direction of interest rates, for short-dated paper. The \$150m 7 per cent issue, led by Nomura International, was priced at 101. It traded at a bid price of 90%, compared with 1% per cent fees. compared with 15 per cent fees.

at launch over US Treasury bonds of 85 basis points, net of full fees, but this widened during the afternoon as US yesterday as US Treasury bond prices opened firmer. This allowed a long-expected deal for Electricite de France to be finally saunched.

The \$125m seven-year non-callable deal, led by Banque Nationale de Paris, was priced with a 7½ per cent coupon and 100½ issue price. These terms looked attractive for a French total transfer of the prices and the issue was meeting slow demand in the face of

INTERNATIONAL `

a heavy supply of recent Canadian dollar paper. Two issues surfaced in the Two issues surfaced in the Ecn sector. Dealers say the Ecu market is attracting Japanese, but not European demand, so an Ecu 70m deal for Long-Term Credit Bank of Japan met firm demand. The issue was priced generously with a 72 per cent coupon and 1002 issue price. It was led by LTCB's Belgian subsidiary, Nippon European.

Goldman Sachs International's \$150m five-year bond for Ford Motor Credit carried a 7% per bond for City ef Oslo. The deal cent coupon and 100% issue price. At launch in the morning, giving an average life of seven the terms gave a yield spread years. It is priced at par.

#### \$135m high-yield debt to fund Liggett purchase

THE PURCHASE of Liggett Group, the US tobacco company, has been financed by the private placing of \$135m in maturities of three months to high-yield debt arranged by two years, \$25m in eight-year Drexel Burnham Lambert, the US securities house.

Drexel said yesterday that the placing comprised \$100m in short-term senior debt, with maturities of three months to two years, \$25m in eight-year present senior subordinated notes and \$10m in ten-year subordinated THE PURCHASE of Liggett

Aggl-yiero
Arexel Burnham Lean
US securities house.

L Holdings, a private company controlled by Mr Bennett
Le Bow, a US investor and financial consultant, paid
Britain's Grand Metropolitan Quadrex Securities, also acted as financial adviser to L Holdings.

Nikko Securities issued a novel "mixed" dual-currency bond for Denmark. The Y16bn Issue pays interest at 9 per cent in New Zealand dollars. Eighty per cent of each Y1m bond will be redeemed after 10 years in yen, and 20 per cent in New Zealand dollars.

It will be redeemed after 10 years in both New Zealand dollars and yen. There is a fixed exchange rate of Y81.7 to the ing slow demand in the face of New Zealand dollar. The issue is priced at 1007.

Daiwa Europe launched late in the day a \$100m equity warrants bond for Hankyu, the Japanese railway and real estate company. The five-year bond has an indicated 3f percent coupun, but pricing will take place on November 4.

In the D-mark market prices moved lower by about 2 per-centage point in thin turnover. Prices of Swiss franc bonds were basically unchanged in low volume. Two issues traded for the first time. Rio Tinto-Zine's SFr 165m 4† per cent 10-year equity warrants issue closed its first day's trading at 97, compared with a par issue price. Co-op's SFr 150m 10-year 5† per cent bond closed at 99‡

pared with a par issue price. Credit Suisse issued a two-tranche bond for the World Bank. There is a 35-year zero-couponed tranche raising about SFr 100m with an indicated price of 14.73 to give a yield of 5‡, and a SFr 150m 25-year bond with an indicated 5‡ per

The World Bank's seasoned 30-year zero-coupon bond traded yesterday at 21, to yield

Lloyds Bank issued a SFr 140m seven-year equity war-rants bond for Tate and Lyle, the UK sugar company, in its first international bond issue. The seven-year bond has an indicated coupon of 4 uper cent, but pricing will be finalised on November 13. The warrant pre-mium is expected to be 20 per cent. The bonds will be swapped into sterling.

#### FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market. ### Change on the Change of th 

Straight Bonds: The yield is the yield to redemption of the uprice; the amount issued is in militons of chromey units except Year bonds where it is in hillons. Change on week—Change a price a week earlier.

Beadle Decorations or covers when, which the forms of the shares, cave price Nominal argount of boad per sed to currency of stare at conversion rate fixed at a Persenting premium of the current effective price shares via the boad over the most recent price of the

Roderick Oram on the conversion of \$4bn in vehicle loans into tradable notes

# First Boston speeds securitisation evolution

the Wall Street securities firm notes with average lives of 1.05 had checked the credit worthipers, 2.20 years and 3.67 years, ness of each of the 366,818 in addition, monthly loan pay-vehicle loans backing of the ments were turned into quarantees.

minute examination was not performed, the extremely complex deal took 20 First Boston employees six months to put together for General Motors. It together for General Motors. It vied for the record of the world's largest credit market offering with the \$4bn floating-rate notes for the British Government managed last month by Credit Suisse First Boston, the Euromarket affiliate of the Wall Street firm.

First Boston believes the US issue, called an asset-backed obligation, marked a significant evolution in securitisation, the rapidly accelerating trend of turning debts into tradable securities. More important than sheer size, was the goal of making the issue attractive to a wide range of investors which in turn First Boston hopes will help it sell other issues backed by more diverse corporate receivables in consumer fields such as credit cards.

To increase investor appeal the notes contained three main innovations, by First Boston, a pioneer in using assets as col-lateral for credit market issues beginning with mortgages about

terly interest and principal pay-ments on the notes.

Second it guaranteed investors that the notes would not be prematurely redeemed as had happened in previous assetbacked issues when the under-The extremely complex

deal took 20 people six moths to put together for GM

lying loans were paid off ahead of schedule. Third, it set up Asset Backed Securities Corporation as a wholly-owned subsidiary to issue the notes and buy the loans from General Motors Acceptance Corporation, the vehicle maker's finance unit. This allowed investors who either would not normally have GMAC securities in their portfolios or — at the other extreme — felt fully loaded, to buy a new name.

The first two innovations depended on the development of very complex computer programs which took up much of the issue's six-month development period. Half the issue's

other preparations included working with credit agencies to ensure the notes would attract triple A ratings and working with First Boston's sales and trading organisations to open up the widest customer

base.

The effort appeared to pay off when the issue was launched. Strong demand allowed First Boston to raise its value to \$4bn from \$3.2bn and to price the notes aggressively despite a softening of the markets to yield between 69 and 80 basis points more than Treasury securities of similar maturities.

maturities.

Mr Anthony Dub, the managing director in charge of First Boston's asset finance group, said that 25 per cent of the notes went into bank portfolios; 25 per cent to investment advisers and money managers; 25 per cent to mutual funds, including money market funds; 10 per cent to US savings and 10an associations, pension funds and corporate treasuries.

corporate treasuries. Mr Gordon Samardich, executive vice president of GMAC, said the issue appealed to his company because it took the assets off its books and eliminated the interest-rate risk to GM.

First Boston and GMAC

chase of heavy equipment for

bank contends that the loan was

a form of trade finance, and that

it should be treated as a normal

The German bank appears

trade creditor.

each. One was scheduled to be made on September 30 and the want to avoid.

EVERYTHING about First the 366,818 vehicle development team came from Boston's recent \$4bn note issue loans, which run for either 36 First Boston's mortgage securities department which is bundled into three tranches of highly experienced in completely as sure that on vehicle loans runs at only around 0.5 per cent to 0.6 per cent, Mr Samardich said.

Moreover, these loans were of particularly high quality because they were written under General Motor's low-interest financing promotion offering interest rates of 2.9 per cent for three-year loans and 4.8 per cent for four years, Mr

> 'That was a pretty high mountain. I'm not sure we can climb another one so high

Samardich said the promotion attracted buyers who would normally pay cash. Enticed by the promotion, however, they are keeping their savings in high yielding savings accounts while paying the low interest

GMAC is committed to buy back from First Boston all de-faulted loans up to 5 per cent of the total and the issue is also climb backed by a letter of credit said. from Credit Suisse.

Both GMAC and First Boston believe the complexity of asset-backed issues, particularly the computer programs for the loans, the cheque was which organise the assets and so large it had to be syndicated.

ment banks with the most sophisticated systems will be

able to do such deals. Vehicle loans were the logical extension of the asset-backed business after mortgages, because cars or light trucks are usually the second largest purchase a consumer makes.

First Boston opened up the public market for securities backed by assets other than mortgages in June 1985 with a \$192m issue for Sperry which used computer leases as collateral. In the 15 subsiquent issues—12 by First Boston, three by Salomon Brothers and one by Drexel Burnham Lambert all but one other involving computer leases were backed by vehicle loans held by car manufacturers, banks and savings and loans.

Mr Dub sees First Boston doing many more vehicle loans with some diversity through, for example, credit cards. A rival is working on securitising a utility's customer receivables. Few issues, if any, are likely to challenge the \$4bn issue in size. "That was a pretty high mountain. I'm not sure we can climb another one so high," he

Smaller deals will at least remove one complexity of the GMAC deal. When it came time for First oBston to pay GMAC for the loans, the cheque was

#### One Dome creditor makes stand against waiver plan BY BERNARD SIMON IN TORONTO SecPac buys \$65m of Chile's foreign debt not be the second of Second stage of Liffe link starts at SFE

BAYERISCHE Landesbank of other next March.

West Germany, has become Bayerische lent the funds to alone among Dome Petroleum's Dome to help finance the pur-THE SYDNEY Futures Ex change today inaugurates the second leg of a link-up launched last week with London Interrefusing to grant the struggling exploration in the Beaufort Sea, Calgary oil producers waivers off Canada's Arctic coast. The on interest and principal repaynational Financial Futures Exments due on the bulk of its C\$6.3bn debt. changes (Liffe).

By Alexander Nicoli

It is introducing a futures contract based on three-month Eurodollar deposits which will be identical to and interchangeable with Liffe's Eurodollar contract. Dealings in Sydney, like those for the US Treasury bond contract started last week will be cleared along with Liffe's at the International Commodities Clearin (ICCH) in London, Clearing House

As a result of the link, positions opened on one exchang can be closed later the same day on the other with one set of dealing costs and margin requirements. An order can be passed on around the world until market movements trigger

Liffe said yesterday that it had been encouraged by the first few days of trading even though Sydney's T-bond volume had been very small on some

Business had been spread quite widely among Sydney members, among whom all but one of the clearing firms had made arrangements with Liffe clearing members. Some Japanese interest had also been seen.

A Eurodollar contract is designed to appeal to a different market, particularly banks.

#### First Interstate medium-term issue altered

By Our Euromarkets Staff FIRST INTERSTATE has altered ahe structure of the \$150m medium-note programme already in place in the Euro-markets for its parent, First Interstate Bancorp. Credit Suisse First Boston, which designed the new structure, has been appointed as an additional dealer.

First Interstate was the first borrower to launch in Europe a medium-term note programme, in which paper is offered continuously, as for commercial paper, but for longer and varying maturities. However, amounts issued are believed to have been quite small and the borrower is not issuing debt at present because of its bid for BankAmerica. The latest change illustrates

the continuing experimentation with the new market. As well as making issues of any matu-rity depending on investors' precise needs, First Interstate is adding predetermined matu-rity dates in any given year, with the interest rate for notes maturing on each date being fixed. This is intended to improve liquidity of the paper. Merrill Lynch International and First Interstate Capital Markets remain as dealers.

#### \$1bn Bank of Yokohama CD

BANK OF YOKOHAMA. BANK OF YOKOHAMA, Japan's largest regional bank, yesterday became the latest Japanese bank to arrange a large certificate of deposit programme in the Euromarkets.

Its \$1bn multi-currency programme is being arranged by First Interstate Capital Markets and other dealers are Bankets and other dealers are Bankers Trust International Paine Web-ber International, Shearson Lebman Brothers International and S. G. Warburg.

# Chile's foreign debt notes

SECURITY PACIFIC, the Cali- cent of face value on the interfornian bank, is to buy \$65m in national market, and they have Chilean foreign debt notes, to attracted a number of foreign be exchanged at face value for pesos for investments in Chile, Mr Francisco Garces inter-national director of the central

bank, said yesterday.

Last year the central bank
began selling the country's
foreign debt notes at a discount in an effort to direct, to Chile's benefit, some of the losses internow to have three options. It tiations proceed on a sweeping can change its mind about a national banks were willing to recapitalisation plan

waiver, simply ignore Dome's take on foreign loans. It exchanged the dollars said for waiver, simply ignore Dome's take on foreign loans. It excepts to pay, or take the company to court, possibly triggering the liquidation which Dome and its other creditors want to avoid.

The notes' selling prices has fluctuated between 65 and 68 per shares of a private pension fund company. Shares of a private pension fund company.

According to Mr Garces, Security Pacific executives are considering investing the personance of the personan

campanies interested in invest-Security Pacific's debt note

purchase represents the largest single transaction to date under the central bank plan. Another US bank, Bankers Trust, recently converted \$60m of its own loans to Chile for local investment, including the pur-chase of 51 per cent of the shares of a private pension fund

These securities have been sold outside the United States of America and Japan. This announcem appears as a matter of record only.

**NEW ISSUE** 

Dome said that all other

lenders have agreed to extend waivers given earlier this year until June 30, 1987, while nego-

Bayerische Landesbank, which is owed C\$4m, has refused to release Dome from two semi-annual instalments of C\$400,000

29th October, 1986



**TDK Corporation** 

(TDK Kabushiki Kaisha)

U.S.\$150,000,000 3¾ per cent. Bonds 1991

Warrants

to subscribe for shares of the common stock of

TDK Corporation

Issue Price 100 per cent.

Nomura International Limited

Goldman Sachs International Corp. **IBJ International Limited** 

Barque Nationale de Paris Daiwa Europe Limited

Kleinwort Benson Limited Merrill Lynch Capital Markets Morgan Guaranty Ltd

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#### INTERNATIONAL COMPANY NEWS

#### Mellon Bank Corporation is pleased to announce the opening of a new Capital Markets subsidiary:

#### **Mellon Securities Limited**

To provide high quality Eurosecurities underwriting services to our key customers and to engage in secondary market sales and trading of Eurosecurities.

Martin Pfinsgraff **Managing Director** 

John P. O'Driscoll Director, Corporate Finance

Matthew S. Hudzinski Director, Securities Trading & Marketing

Mellon Securities Limited 6 Devonshire Square London, England EC2M 4LB Telephone: General 01 220 7073 Dealing 01 621 0508



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#### **SKF** sees flat profits for 1986

By Sara Webb in Stockholm

SKF of Sweden, the world's leading corted a 4.8 per cent drop in profits (after financial costs) to SKr 1.073bn (\$154.6m) for the nine

months ending September.

Sales rose 4.1 per cent to SKr
15.302bn against SKr 14.7on in the corresponding period last year. The group expects figures for the full year to be on a level with those

from 1985, when profits reached SKr 1.376bn and sales totalled SKr Demand for rolling bearings was below the expected level and the

contribution to group income was SKr 737m compared with SKr 827m in the same period last year. Invoiced sales for ball and roller. bearings rose 5 per cent to SKr
11ba, of which more than half was
due to the acquisition of MEC in the
US during the summer and of SKF

Espanola a year ago.

Demand for cutting tools improved and the tools division showed a strong increase in sales in the third quarter to SKr 360m, against SKr 200m in the third quarter last year, largely due to the ac-quisition of the West German tools company, Prototyp-Werke.

#### **BANCO LATINOAMERICANO** DE EXPORTACIONES, S.A. US\$50,800,000 FLOATING RATE NOTES

Notes, notice is bereby given, that for the six months interest Period from October 30, 1986 to April 30, 1987 the notes will carry an interest rate of Yurk per annum. The amount psyable on April 30, 1997 against Coupon No. 4 well be USSSS7.05 for Beaver Notes of US\$10,000 principal amount and US\$3,570.49 for Bearer Notes of US\$100,000 principal amount, (IS\$357.05 will be payable on each US\$10,000 prin-cipal amount of Registered Notes.

THE CHASE MANHATTAN BANK, ICA.

FRENCH GROUP APPEARS UNCONCERNED OVER TELEFONICA'S THREAT TO WITHDRAW

# CGE takes pragmatic approach

COMPAGNIE GÉNÉRALE d'Electricité (CGE), by moving to take a majority stake in its telecommunications venture with TTT appears to be adopting a pragmatic approach to the latest threats by Telefonica of Spain to withdraw its application for a 10 per cent stake in the joint

CGE does not give the impression that it would be greatly bothered if the Spanish deal fell through since it regards ITT's Spanish operations as one of the weakest links in the

The Spanish operations of ITT lost \$19.1m last year and are expected to lose even more this year. Together with ITT's US tele-communications operations, which lost about \$77m last year but are ex-pected to lose less this year, all the other ITT telecommunications interests being absorbed in the joint venture are profitable.

Overall, these operations earned \$100m on sales of \$4.9bn last year, while the ITT European operations

expected to show reasonable profits this year, while Standard Electrik Lorenz (SEL), ITT's West German subsidiary, is expected to achieve strong profit growth having earned \$45.3m last year.

A restructuring of the original deal is likely to increase the overall cost of the operation for CGE. The French group and its European partners are due to pay ITT \$1.1bn by the end of this year for their share of the deal CGE had expect ed to fund \$600m of the total with the remaining \$500m coming from Société Générale de Belgique and Telefonica of Spain.

CGE has already lined up the \$600m and appears confident it can put together the additional \$250m should Telefonica decide to pull out. The French group displays confidence over the financing of the operation which it claims should pose no major problems due to the strength of its balance sheet.

year, which will enable it to raise chairman. duced the franc cost of the opera-

tion for CGE. For Mr Pierre Suard, CGE's new chairman, the key challenge and risks of the operation are the management and industrial implications of the venture. It is clear that its success or failure will depend on CGE's capacity to reorganise and absorb the managements and operations pooled together in the new

munications concern. The other challenge involves the future industrial prospects of ITT's System 12 digital exchange, which is now coming into the orbit of the new joint centure.

alone earned \$149m on sales of Moreover, CGE is hoping to be tions of ITT will also pose a difficult \$3.2bm. ITT's Italian interests are privatised in the second half of next management problem for the CGE

new equity to reduce debt levels. At the same time the 10 per cent de Mr Suard is now seeking to ensure cline in the value of the dollar since that he will be firmly in the driving the deal was first agreed has re- seat of the ambitious telecommun

cations regrouping. Mr Suard also faces important challenges inside the CGE group. Although his priority and his full attention is being devoted to the ITT deal, strategic decisions will also have to be taken at Aisthom, the large heavy engineering group con-trolled by CGE, which is suffering from the world decline in large international export orders.

Another looming challenge for Mr Suard is the privatisation of CGE. This is likely to excite many appetites and fuel an inevitable new joint venture.

At the same time, the eventual restructuring of the lossmaking Spanish operations, if they remain part of the deal and a retirection and the sales of FFr 140hn (\$21bm) or more, part of the deal, and a rationalisa and have interests and assets tion of the lossmaking US opera-spread throughout the world.

#### Aga eyes Dutch gas producer

AGA, the Swedish industrial gas and West Germany. It also has sub-

Company, is seeking to take over sidiary interests in the engineering Maatschappij Rommenhoeller, the and soft drinks industries.

Last year the company had net earnings of F1 15.1m on a turnover

ly who control more than 50 percent of the equity.

Rommenhoeller is chiefly a producer of carbon dioxide and is the

market leader in the Netherlands

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

Aga has already won support for the deal from eight shareholders Aga is pay linked to the Rommenhoeller fami-over the mark Aga is paying a heavy premium over the market price for Rommen-hoeller and is bidding Fl 3,260 per

share compared with a recent trading price of about F1 1,990. Aga is currently the fifth largest

strial gas company in the world

#### Sierra Leone deal denial

By Kenneth Marston, Mining Editor, in London

Last week Afro-West announced the Republic of Sierra Leone to se-cure the finance necessary to bring the Koidu Kimberlite diamond min-

ing project there into production. Yesterday, however, the Govern-

THE Sierra Leone Government has ment stated that "notwithstanding denied that it has signed an agree-ment with Afro-West Mining, the with representatives of Afro-West small Australian exploration com- on the 8th and 10th of October 1986, as has been held previously with a number of other potential investors, that it had signed an exclusive no agreement has been signed be-agreement with the Government of tween the Government of Sierra Leone and Afro-West Mining LimMichigan

In London yesterday shares of Afro-West lost 1p (1.4 cents) to 14p.

#### Hispano Americano International Limited

U.S. \$ 100,000,000 Primary Capital Guaranteed Floating Rate Notes due 2006 Banco Hispano Americano, S. A.

In accordance with the provisions of the Notes notice is hereby given that for the six months period from October 23, 1985 to 'April 23, 1987 the Notes will carry an interest rate of 614% per annum with a coupon amount of U.S. \$ 315.97

**COMMERZBANK** 

#### Australia and New Zealand **Banking Group Limited**

U.S.\$300,000,000 Perpetual Capital Floating Rate Notes

For the six months 30th October, 1986 to 30th April, 1987 the Notes will carry an interest Rate of 6.2125% per armun with an Amount of Interest U.S.\$314.08 per U.S.\$10,000 Note and U.S.\$7,851.91 per U.S.\$250,000 Note, payable on 30th April, 1987. Listed on the Luxembourg Stock Exchange

Bankers Trust Company, London

#### Sales SEK 22,599 m. (19,971), +13 percent • Income SEK 1,935 m. (1,616), +20 percent Return on Total Assets 14.0 percent (15.8).



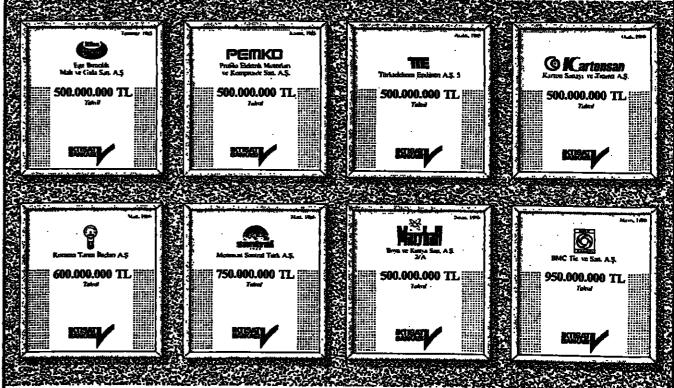
For further information please write to: Saab-Scanla AB, Corporate Communications and Public Affairs, S-581 88 Linköping, Sweden

Forecast for 1986: The earlier submitted forecast will be exceeded and income of the Saab-Scania

Group is estimated to be somewhat in excess of SEK 3,000 m. (2,776).

The year-end report will be issued on February 25, 1987.

Which bank has underwritten 40% of bond issues in Turkey?



Turkey's capital market is growing fast. And as you can see, Iktisat Bankasi has been at the forefront of its development.

We are the only merchant bank to be included by the Government in the syndicate of banks for the distribution of Bosphorus Bridge Revenue Sharing Certificates.

Not surprisingly, we are also the leading bank in domestic bond issues.

We can provide almost every merchant banking service you want in Turkey, from a complete package for project finance to international trade finance, where we have a 10% market share.

Our branch network and our foreign exchange department have on-line real-time automation, so we are always able to act quickly and efficiently.

Whenever time is money, you'll find lktisat can put you ahead of the competition.



For further details please contact Arthur Wilkinson, Assistant General Manager, Iktisat Bankasi Buyukdere Cad. 165, Esentepe, Istanbul, Turkey. Telephone: 176 5040. Telex: 31077. Fax: 176 5147. Branches at istanbul (6 branches), Ankara, Izmir, Bursa, Adana, Mersin, Gaziantep, Denizli, Iskenderun, Samsun

#### **UK COMPANY NEWS**

# Tesco's £65m tops expectations

in interim pre-tax profits to £65.4m, reinforced by healthy growth in profit margins.

cation of all the work we have done in the last few years," said Mr Ian MacLaurin, Tesco's chairman. "We have projected Tesco from its old and once successful base, through static profits in the early 1980s, to much more acceptable margins and a better business overall." Tesco is now in the throes of an active expansion programme. and a better business overall." an active expansion programme.

In the six months to August Four new stores have opened 8 turnover rose by 6.6 per cent so far this year. The company to £1.58bn (excluding VAT). Existing stores produced real growth of 5 per cent and new stores 6 per cent. Tesco attributes this improvement to the broadening of its customer base—to include more upmarket consumers—and the upgrading of its product range.

Constructing produced real which are superstores. In the second half seven new stores will open and one outlet will be extended. The store closure programme continues, although the rate of closures is beginning to slow down. Tesco gained £2.5m (£2.5m) from the per supersty sales.

Operating margins—traditionally one of Tesco's weaknesses—rose from 2.6 to 3.4 per cent.

Tesco, the multiple retailing to 9.79p (6.95p) excluding the group, surged shead of City net surplus on property sales. expectations yesterday by The board proposes to pay an unveiling a 40 per cent increase interim dividend of 2.55p (2.1p). Mr MacLaurin said that the

owth in profit margins. improvement in margins was "These results are a vindifuelled by the combination of

which are superstores.

broadening of its customer base closure programme continues, —to include more upmarket although the rate of closures is consumers—and the upgrading beginning to slow down. Tesco gained £2.5m (£2.5m) from the Operating profits increased net surplus on property sales by 40.8 per cent to £54.2m. We Med every dismissed in the first dair.

Mr MacLaurin dismissed speculation that Tesco was considering accelerating its



Mr Ian MacLaurin, chairman

He added, however, that the company might consider a bid "if and when" Safeway came on to the market. ily one of Tesco's weaknesses speculation that Tesco was control 2.6 to 3.4 per cent. sidering accelerating its expansion programme by mounting a bid for the UK arm of the next few months. Earnings per share increased

£20m two-year project to build a new corporate headquarters in Cheshunt, Hertfordshire. Tesco is introducing a profit sharing scheme in order to give employees an incentive. "We have been a bad employer in the past," said Mr MacLaurin, "but we intend to be much better in the future."

Tesco's tale of its transition from the "pile it high, sell it cheap" ethos to the model, modern retailer is all too modern retailer is all too familiar to the City. Yet this set of results—in which the benefits of a higher quality product profile were buoyed by the pragmatic advantages of tighter management and greater efficiency—persuaded analysts to listen all over again. The share price fell, inexplicably, by 9p to 405p yesterday. Although 9p to 405p yesterday. Although Tesco's share traditionally rise ahead of results and fall in the aftermath. Most profit projections were hastily apgraded to enthusiastic analysts were even disposed towards dismissing the prospective p/e of 16.5 as undemanding.

#### Grosvenor recommends £9m offer from Hollis

BY DAYID GOODHART

THE BOARD of Gresvenor Group, the troubled electronics and engineering company, yes-terday decided to recommend the £8.9m offer from Hollis, the headed by Mr Colin Robinson, furniture and timber subsidiary of Mr Robert Maxwell's Per- Maxwell's new ambitions to ex-

board prior to the higher offer from Hollis. Mr Gordon Hazzard, chairman

of the Grosvenor Group, said that the new offer was "reason-able" and added that he had been impressed with the Hollis plans for Grosvenor.

Holks, which is 80 per cent controlled by Pergamon, has re-cently been divided into two parts and one of those parts, headed by Mr Colin Robinson, has because the public for Mr. gamon Press.

A few hours earlier the BBA group had called off its own been accepted by the Grosvenor board prior to the history of the histo

Hollis has made it clear to Grosvenor that it might like to stop the continuing negotiations with the US-based Emerson Corporation over the sale of the Grosvenor subsidiary, Backer.

plans for Grosvenor.

"Hollis is building a new industrial operation and we believe that Grosvenor will make an excellent nucleus. They in view of its recent redundancy will have the resources to beek believe that Grosvenor will make an excellent nucleus. They in view of its recent redundancy will have the resources to back our companies like Floform and Lock," he said.

per cent it neid itseit, knowever, in view of its recent redundancy announcement and the likely impact on profits it clearly felt unable to outbid Hollis.

#### Throgmorton £8m rights

Trust has announced an underwritten \$8.1m rights issue of its income shares—on a 13 for 10 of £3.5m of £1 loan stock would of £3.5m of £3.5

The effect of these moves will proposing to use £3.40m or the be for the capital loan stock to be repaid two years early and for an increase in TSGT's net asset value as of July 31 to 537.7p from 389.9p. For income shareholders and dividend for the trust's £12.5m glits' holding would be sold to repay at 1986-87 will be increased to 5p (from 4.25p), producing a forecast gross yield of 10.4 per cent

Throgmorton Secured Growth at the 65p issue price of the basis at 65p—and plans to buy in most of the outstanding of either the capital and debenture stock. income shares. It was therefore

# **Public Works Loan Board rates**

\*Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

#### Abaco acquires Lambert Smith for up to £12.5m BY CHARLES BATCHELOR

Lambert has offices in the West End of London, Glasgow and Leeds employing 54 people. It made a profit of -£668,000 before tax and non-recurring terms on turnovar of 52 2m in items on turnover of £2.2m in the year ended February 1986. Abaco plans to put Lambert together with chartered sur-veyors Anthony Brown Stewart, which it acquired last May, to

form the basis for a commer-cial estate agency and survey-ing business. The commercial divisions of two recently acquired estate agents, Bridgers

Abaco investments, the financial services group is keeping mercial clients and has a large up the rapid pace of acquisitions with an agreed offer worth up to £12.5m for Lambert Smith & Partners, a full range of professional services and religious consultant to comments as the first service and religious formula of the first services and the first services and the first services and the first services are the first services are the first services and the first services are the first services are the first services and the first services are the first services are the first services and the first services are the first services and the first services are the first services and the first services are the first s full range of professional ser-vices and manages commercial

and industrial property for in-stitutional and banking clients. Lambert is the latest and potentially the largest in a series of acquisitions by Abaco, to build up a range of professional services in the property and financial services fields. ping has a 27 per cent stake in Abaco.

in cash, with an additional £3.5m—including £2.5m in shares—if Lambert's profits and Messenger May Baverstock, reach £1.04m in the year end-will also be brought into this ing February. The deferred grouping. payment will be increased to a grouping.

Lambert specialises in shop, maximum of £6m if profits office and investment agency reach £1.5m.

## York Trust expansion

based Centurion Management profits over five years.

Services.

Centurion specialises in the cess for advisory services rather than actively managing offshore companies and trusts.

Its position in the expatriate market will be an important addition to the financial services offered by the former York & Equity group, Mr Neil

York's roots lie in finance for small to medium companies.
Last month it moved into personal financial services with the £3m acquisition of Richards
Longstaff, the unit trust and persons completes. York has paid an initial

York Trust, the USM-quoted £750,000 for Centurion, in the investment group, has taken its form of 1.25m newly-issued first step into offshore finance ordinary shares. It will pay up with the purchase of Jersey to £1.25m more depending on

funds, had pre-tax profits of £88,000 in the year to June 30. York shares closed yesterday

Appleyard

Prodential Portfolio Manager: has raised its stake in Appleyard Group, Yorkshire-based motor dealer, to 9.22 per cent. Appleyard has disclosed a possible bid approach and the purchase of an 8.67 per cent stake by a concert party led by Smyderland motor dealer by Smyderland motor dealer by

#### **BOARD MEETINGS**

FT for November 1,268-1,275 (+10) Tel: 91-828 5699

#### THE BURTON GROUP PLC

**Property Financing Transaction** 

£100,000,000

Arranged by

#### ANZ MERCHANT BANK LIMITED

Term Loans provided by

Australia and New Zealand Banking Group Limited Barclays Bank PLC

**Barclays de Zoete Wedd Limited** Samuel Montagu & Co. Limited National Westminster Bank PLC

ANZ Merchant Bank Limited

October 1986

# Reed International -strong first half

'This has been an important half-year for Reed International. A number of major developments have taken place and the company has had an excellent first half?

Profits up 57%

Profit after taxation

Earnings per ordinary share

LESLIE CARPENTER, CHAIRMAN

59.1

51.1

29.8

6.2p

- Interim dividend up 38%
- All operating groups increased their earnings
- Strong profit growth in UK publishing
- Recent major emphasis on US publishing with US \$250 million acquisition of Technical Publishing
- Manufacturing profits up with strong performance from paper.

#### INTERIM STATEMENT Half-year ended £ million (unaudited) 29 Sept 1985 28 Sept 1986 969.7 923.5 Turnover 84.8 Profit before interest and taxation 80.2 Profit before taxation

52.5

10.9p

Year to	TO A DINIC DINASETE	Half-	r <mark>ear ended</mark> 29 Sept
31 March 1986	TRADING PROFIT  £ million (unaudited)	28 Sept 1986	29 Sept 1985
30.2	Reed Publishing UK	18.2	11.7
37.0	Reed Publishing USA	10.1	9.2
7.0	Consumer Publishing	10.3	2.4
18.9	Paint and DIY	12.9	9.3
27.4	Packaging	14.0	12.4
14.9	European Paper	10.8	3.8
14.2	North American Paper	9.4	8.0
7.9	Reed Trading	2.9	.2.7
(5.6)	Central Items	(4.6)	(3.7
151.9	Continuing activities	84.0	55.8
	The country of the second second		21

A copy of the Interim Statement, which has been sent to shareholders, may be obtained on request from Corporate Relations, Reed International P.L.C., Reed House, 83 Piccadilly, London WIA IEI.

This advertisement is issued in compliance with the requirements of The Stock Exchange.



Year to

31 March 1986

1931.1

153.0

137.4

95.3

19.9p

#### ANHEUSER-BUSCH COMPANIES, INC.

(incorporated with limited liability in the State of Delaware in the United States of America)

Introduction to

150.2

The Stock Exchange, London

Sponsored by

Cazenove & Co. and Dillon, Read Limited

Anheuser-Busch Companies, Inc. is a diversified corporation whose subsidiaries include the world's largest brewing organisation and the second largest producer of fresh baked goods in the United States. Other subsidiaries operate in the fields of container manufacturing and recycling, malt and rice production, international beer brewing and marketing, wine, non-alcoholic beverages, snack foods, baker's yeast, family entertainment, real estate development. major league baseball, stadium ownership, creative services, rail car repair and transportation services, and metalised label printing.

The Council of The Stock Exchange has granted permission for 294,956,036 issued shares of common stock of U.S.\$1.00 par value of Anheuser-Busch Companies, Inc. to be admitted to the Official List. Dealings in such shares of common stock will commence at 9.00am on 30th October, 1986. The issued shares of common stock of Anheuser-Busch Companies, Inc. are already listed on the New York Stock Exchange and are registered pursuant to section 12(b) of the Securities Exchange Act of 1934 of the United States of America.

Listing Particulars relating to the Company are available in the statistical services of Extel Statistical Services Limited and may be obtained until Monday 3rd November, 1986 from The Company Announcements Office of The Stock Exchange and until Friday, 14th November, 1986 from:

Cazenove & Co. 12 Tokenhouse Yard London EC2R 7AN England

Dillon, Read Limited Devonshire House Mavfair Place London W1X 5FH England

30th October, 1986

# Reed profits surge 57% to £80m

confirmed its status as a bornagain growth company with a 57 per cent jump in pre-tax profits for the half year to September from £51.1m to £80.2m. The stock market was again caught unawares by the results, and Reed shares surged by 16 per cent to close 41p higher at 291p, after a record 294p.

The two chief contributors to the improvement were the European paper business and consumer magazines in the UK. Results were also helped by a reduction in pension contribu-tions worth around £7m com-pared with the first half of last year.

last year.

The consumer publishing division more than quadrupled its profits from £2.4m to £10.3m. Mr Les Carpenter, Reed's chairman, said "we have taken out around 550 staff, year on year, and we have sold ten titles which weren't making money. We have also made considerable savings in production costs, due to a lot of big printing contracts coming up for renewal. But it's still a combining said. "I would expect the first half, to be significantly better than the second."

The packaging division had a full dividend.

The packaging division had a fair first half, with a profits rise than the second."

The packaging division had a fair first half, with a profits in the region of from £12.4m to £14m being from £

PROFITS BY DIVISION			
	Six months to Sept 28 1986 £m	Six months to Sept 29 1985 £m	
m	18.2	11.7	
Reed publishing UK	10.1	9.2	
Reed publishing US Consumer publishing	70.3	2.4	
Paint and DIY	12.9	93	
Padaging	14.0	12.4	
Factoring European paper	10.8	3.8	
North American paper	9.4	0.8	
Reed trading	2.9	2.7	
Central items	(4.6)	(3.7)	
Continuing activities Discontinued activities	84.0	55.8 3.1	
Trading profit	84.0	58.9	

Our plastics packaging is grow-ing strongly, but that's still relatively small."

In the US, publishing showed

only modest profits growth in sterling, from £9.2m to £10.1m. In dollar terms, however, the division grew by 28 per cent, or by 16 per cent before a three-month contribution of film from the recent acquisition

of American Baby.
Group sales overall were down by 7 per cent, from £615.9m to £570m, largely because of disposals. Earnings per tough circulation market, costs edging up slightly, and though the erosion seems to have stopped."

\*\*Start were 76 per cent ahead at 10.9p, and the dividend was raised by 38 per cent to 2.25p net. The company said this was partly to adjust the balance behalf to be sterning per the shalf of the sterning per the sterning per the sterning per the shalf of the sterning per the sternin

#### Staff investment cuts profits at ATA Selection

**DIVIDENDS ANNOUNCED** 

Jan 7 Dec 15 Dec 19 Dec 19

ATA Selection, the recruit- sonnel and this had had an im-ATA Selection, the recruitment selection consultancy, saw its pre-tax profits tumble by 53 per cent in the six months to June 29 1986 from £276,000 last time to £129,000. Turnover moved ahead slightly from £1.31m to £1.35m.

The discrete said that the

ATA Selection ....int #0.8
English Natul pfd int 3.7
English Natul dfd int 1.25
Feedex .....int #0.5

Henderson Grp .....int

House Prop .....int Japan Assets .....

Globe Inv

from £1.31m to £1.35m.

The directors said that the compnay had begun the year by making a substantial investment in new high-calibre perment.

After tax of £46,000 (£113.000) earnings worked through at 0.89p (1.5p). The directors proposed an interim of 0.6p.

Corre- Total sponding for

# 25% holding in BEP

Evening Post, holds a majority stake in the Western Daily Press, and owns a major shop-ping complex in Bristol's city

Mr Kent acquired his 1m BEP shares in the summer and autumn of 1985 at an average

kent Holdings, which represents the personal interests of Mr Michael Kent, the financier, has sold all of its 25.4 per cent stake in Bristol Evening Post for a £L8m gain.

HEP publishes the Bristol Evening Post, holds a majority stake in the Western Daily

has been considerable with Associated Newspapers, which failed in a takeover bid for the company in 1981, having a 23.8 per cent stake with Harmsworth Pension Funds holding a fur-ther 6.1 per cent.

Highgate & Job

Robert Fraser and Partners Robert Fraser and Pariners, the merchant bank, yesterday bought a 27.3 per cent stake in Highgate & Job, the Paisley-based animal oils and protein meal group. Fraser said the shares had been bought on behalf of itself and its clients. The holding was sold by Jerisle Investments, which acquired it in January. Highgats & Job shares rose again vesterday to 1850. up 200 on

yesterday to 185p, up 20p on the day and 50p since Friday, valuing the company at nearly

#### FR Group

The chairman of FR Group and managing director of one of its subsidiaries are not taking up their rights under the £40.3m issue announced last

man of the aircraft, electronics and energy group, has sold the rights to his beneficial interest in 1,201,958 ordinary shares, Mr G. B. Longbottom, who heads Hymatic Engineering, sold rights to 73,705 shares

# Michael Kent sells his

Kent Holdings, which repre- price of around \$5.

Mr Michael Cobham, chair-

Orion Royal Bank Limited ANZ Merchant Bank Limited

CIBC Limited

Baring Brothers & Co., Limited

Dresdner Bank Aktiengesellschaft

Hambros Bank Limited

Svenska Handelsbanken PLC

Westpac Banking Corporation

Kredietbank N.V.

Banque Internationale à Luxembourg S.A.

Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A.

Genossenschaftliche Zentralbank Aktiengesellschaft

S.G. Warburg, Akroyd, Rowe & Pitman, Mullens Securities Ltd.

Crédit Communal de Belgique S.A./Gemeentekrediet van Belgie N.V.

This announcement complies with the requirements of the Council of The Stock Exchange in London, it does not constitute an offer of, or invitation to the public to subscribe for or to purchase any securities.



# Security Pacific Australia Limited

A\$50,000,000 143/4 per cent. Notes due 1989

> Guaranteed by Security Pacific Corporation

The Issue Price of the Notes will be 1011/4 per cent of their principal amount.

The following have agreed to subscribe or procure subscribers for the Notes:

Security Pacific Hoare Govett Limited

Algemene Bank Nederland N.V.

Banque Bruxelles Lambert S.A.

Banque Paribas Capital Markets Limited

Bayerische Vereinsbank Aktiengesellschaft Commerzbank Aktiengesellschaft

Crédit Commercial de France

Crédit Lyonnais

EBCAmro Bank Limited

Goldman Sachs International Corp.

Kleinwort Benson Limited

Nomura International Limited

Shearson Lehman Brothers International, Inc.

Westdeutsche Landesbank Gironzentrale

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Application has been made for the Notes, in bearer form in the denominations of Australian Dollars 1000, constituting the above issue, to be admitted to the Official List by the Council of The Stock Exchange, interest will be payable annually in arrears on December 11, the first payment being made on December 11, 1987.

Listing Particulars are available in the statistical services of Extel Statistical Services Limited. Copies of the Listing Particulars may be obtained during usual business hours from the Company Announcements Office of The Stock Exchange, Throgmorton Street, London EC2, up to and including November 13, 1986, and during usual business hours up to and including November 17, 1986, from:

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October 30, 1986

#### United **Newspapers** £21m US disposal

United Newspapers, publisher of the Daily and Sunday Express and the Star, is selling its New York-based subsidiary Mergan-Grampian Inc.—which owns the Fodor's

Inc—which owns the Fodor's Travel Guides business—for \$30m (£21.2m) cash.

The buyer is Random House, one of the largest American publishing houses, and for the past six years part of the private, family-owned Newhouse Publications group. Newhouse also takes in Conde-Nast and various newmoner interests. various newspaper interests.

Apart from the Fodor's
Guides, Mergan-Grampian
Inc also includes a small back

booklist husiness, David McKay,
Fodor's Guides have shown good profits growth recently—27.5 per cent in 1985—bringing the pre-tax total last year to \$3.18m. The guides were started by Eugene Fodor in 1936, and during the past six years the number of titles has increased from 58 to 121.

United says it was approached by Random House, and is selling "because, and is selling "because, because of the price was good," Mr John Burns, company secretary at

Burns, company secretary at United commented: "Our other US interests are in trade and technical maga-zines, and the guides are consumer-oriented."

consumer-oriented."

The cash deal is not dependent on any future profit guarantees, and United plans to use the proceeds to repay debts and in the development of the business. Not assets of Morgan-Grampian Inc. were \$6.1m at the end of 1925.

The disposal was greeted with some surprise in the City, though the Feder's busi-City, though the Fedor's business was seen as peripheral to United's recently-reorganized US magazine interests.

In pursuance of its policy of concentrating on the CTN business, United Newspapers has sold Gallery Cards to Fine Art Developments for £800,000 cash.

Gallery operates 13 card shops in the Midlands and East Anglia. Its acquisition will enable Fine Art to expand its Gifttree chain and its Papertree franchise shops.

its Papertree franchise shops,

#### Howden in Danish

windmill talks THE GLASGOW BASED Howden Group is discussing the possible acquisition of one of Denmark's biggest windmill producers, Vestas, .

The Danish company was forced two weeks ago to sus-

pend payments to creditors when the American company which until now has bought 75 per cent of its windmills was unable to meet its com-

mitments. At the turn of the year, about 500 out of a total workforce of 800 people were involved in windmill production, but the total labour force has now fallen to 500 and only 200 are employed in the windmill division, said Mr Ejvind Sandal, Vesta's chairman. man. He said the contacts with

He said the contacts with Howden with a view to a financial reconstruction are only one of several possibilities under consideration. The company is also in touch with Danish institutional investors.

Most of the windmills were exported to windmill parks in Collifornia where investors.

in California, where im were encouraged by hig tax write-offs. But Californian tax rules have now become less favourable, causing serious roblems for the Danish industry.

dustry.

Clay Harris writes: Howden declined to comment on the report of discussions with Vestas. The Glasgow engineering group has sold more wind turbine generators than any other UK manufacturer.

# **Next meets City estimates** with 38% rise to £28m

BY MIKE SMITH

Next, the high street fashion retailer which this summer bought the mail order company Graftan, yesterday unveiled pretax profits of £27.7m, a rise of 38 per cent, for the year to end of August.

end of August.
Earnings per share were up from 8.73p to 12.01p, and the company raised the final dividend by 0.95p to 3.7p, making 5p for the whole year against 3.75p last time.

The results were largely in line with City espectations and the shares closed unchanged at 249p.

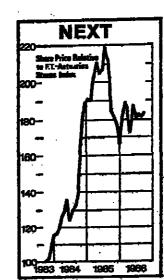
Mr George Davies, chief executive, said the group aimed to increase earnings per share to increase earnings per share by 25 per cent this year. Floor space would be increased by about 180,000 sq ft in the 12 months to next August, a push would be made into lingerle and shoes and plans were progressing for the opening of children's wear shops.

In addition the company was planning to develop the mail order business.

order business.

In the year to August,
Grattan's made a one-month
profits contribution of £300,000.

This was in Line with company
forecasts and Next says Grattan
is as travet for £322. is on target for £23m to £24m for the year ending January 31, Mr Davies said the other four The property division's sectors had all performed well, profits were down from £5.1m



lagged behind the rest, losing £494,000, but it made operating profits of £65,000 in 1986.

Retailing, the largest sector, raised profits by 42 per cent to £16.59m. Mr Davies said Next For Men had performed unexpectedly well. Its sales persent twere only 5 per cent below the £360 to £370 of women's wear,

division's

to £4.81m but Club 24, the re-tail credit finance subsidiary, increased profits by 49 per cent

Mr Robert Cooper, finance director, said the new manage-ment at Club 24 had improved efficiency and cut costs. Bad debts expressed as a percentage of average debtors fell 13 per

cent during the year. Group turnover was £190m against £146m last time and interest payments £354,000 (£690,000). Profit attributable to shareholders of £17.3m was reached after an extraordinary reduction of £583,000 (£2.14 gain) arising from the conver-sion of Hepworth stores into

Next outlets.
On the balance sheets the main changes were rises in stocks (from £29.56m to £86.42m) in debtors (from £19m to £148.37m) and in creditors (from £42.67m to £173.97m). Mr Cooper said the increases resulted from the incorpora-tion of Grattan into the accounts. Grattan had twice the turnover of the old Next group and incurred larger customer debt because of the nature of its business. Next plans to change the

account year-end to January 31.
The next full accounts will be published for the 17 months to January 1988.
See Lex

#### Anheuser gears to expand with London listing

BY CHARLES BATCHELOR

STOCK MARKET dealings start licencess in Japan and Israel. In London today in the shares of Anheuser is keen to acquire its own brewing capacity outside the US. It considered the possible of acquiring Courage—brewer and includes Budweiser sold for £1,4bn last month to beer among its best-known brands.

by the wice heighn selved by Hanson Trust—brands.

The London listing is part of an attempt by Anheuser to broaden its shareholding base as a prejude to investing in brewing capacity outside the US. Expansion is expected to include acquisitions, though the company said it had no immediate

Budweiser. which accounts for a quarter of the shares in France, Germany and US beer market, is currently Switzerland. Its market capitalibrewed under licence by Grand sation on the New York and Metropolitan's Watneys sub-other US stock exchanges is sidiary in the UK and by \$7bn.

the price being asked by Hanson was too high.

Anheuser said it owned no shares in Grand Metropolitan, the hotels, brewing and leisure group which had figured in bid speculation recently, and it had no plans to take an interest, After London, Anheuser is also seeking a listing for its \$1

#### Coalite lifts interest in Hargreaves

Coalite, the fuel manufacturing group whose £99m bid for Hargreaves won the backing of the board earlier this week, has increased its stake in Hargreaves from just under 15 per cent to 21.65 per cent. On Tuesday, Morgan Grenfell, Coalite's adviser, purchased the new holding — 2.48m shares or 6.82 per cent — at 265p, 5p below the value of Coalit's cash alternative.

The offer closes on November 2. Hargreaves' directors, having previously opposed the bid, gave it their support after a £2.8m stock deficiency was discovered at a Belgian subsidiary.

AVON GROUP has acquired for \$4.2m cash CQC of Barnstaple, Devon, from British Land.

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RANVII SPONSORED SECURITIES

					Gross	Yield		Fu
High	LOW	Company	Price	Change				-
148	118	Ass. Brit. Ind. Ord						
151	121	Ass. Brit. Ind. CULS	133	_	7.3	5.5	8.1	7
46	29	Armitage and Rhodes	130	=	10.0	7.7		
77	67	BBB Design (USM)				11.1	5.3	4
201	108	Bardon Hill	68 201		1.4	2.1	16.2	16
86	42			. +1	4.6	2,3	22.8	20
201	75	CCL Ordinary	88x		4,3	5.0	10.2	9
152	86	CÇL 11pc Conv. Pf	100	+1	2.9	2.9	7.1	11
253	90	Codesander Cod	90		15.7	17.4	_	٠.
- <del>23</del> 3	83	Carborundum Ord Carborundum 7.5pc Pf.	253	+2	9.1	3.6	12.2	12
154	46	Deborah Services	92			11.8	_	
32	. 20	Frederick Parker Group	154		7.0	4.5	16.0	21
125	50		22 95	_		_	_	•
94	ž			_	3.8	4.0	2.4	3
218	152	Ind. Precision Castings	.94	_	6.7	7.1	8.4	3
128	101	ISIS GROUP	152	_		12,0	8.7	9
377	228	Jeckson Group	128	_	6.1	4.8	8.7	7
100	85	James Burrough	366	_	17.0	4.6	10,3	. 8
1035	342	James Burrough SpoPf. Multihouse NV (ASE) .	_93	_	12.9	13.9	_	
	260	Beened Bideren O.d.	810	_	-	_	42.5	55
390	هر 87	Record Ridgway Ord	379		_	_	6.8	11
100	2	Record Ridgway 10pcPf	87	-	14.1	16.2	=	٠.
. 87 38	32 28	Robert Jenkins	87	_	_	_	3.8	6
	66		36			_		-
1季	320	Yorday and Carlisle	125xc	i —	5.7	4.6	7.8	7
370		Trevian Holdings	322	_	`7 <b>,8</b>	2.5	6.7	8
.70	25	Unilock Holdings (SE)	67	_	2.8	4.2	12.3	ŢĬ
102	47	Walter Alexander	96	+1	5.0	6.2	9.2	'g
226	190	W. S. Yeates	197		17.4	8.8	19.7	21
98	67	W. Yorks. I. H. (USM)	83	_	5.6	6.0	13.3	13
		14000	_			~~	14.4	10

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is its to

# Improved margins behind Wm Low profits advance

group, yesterday reported a 16 contributed at per cent increase in pre-tax these results. In the year 1986 financial year.

Low's turnove

The growth was fuelled by the benefits of upgrading Low's established Scottish stores and the recovery of the Laws group acquired last year.

Low succeeded in increasing market share from its established stores and produced real volume growth of 5 per cent during the year. Its operating margins — which were badly affected by Laws' problems in the first half — also improved, increasing to 4.05 per cent, compared with 3.5 Low succeeded in increasing

to the improvement in margins to the development of larger stores and the upgrading of existing units. The size of the average store has increased from 7,000 sq ft five years ago to 9,600 now and should rise to 14,000 or 15,000 by 1988. At the interim stage Low pro-

duced a disappointing set of results, chiefly because of the 1985/86 financial year and
problems encountered by Laws, expects to invest £20m in the
the chain in the North East of
England which it purchased in financed through bank borrow-

early 1985.

After stringent closures — 14
of the original 36 Laws outlets proposes to open seven new

William Low, the Scottish have been closed — Laws has supermarket and freezer centre been nursed back to profit and group, yesterday reported a 16 contributed around £200,000 to

In the year to September 6 Low's turnover rose by 13 per cent to £233.36m. Operating profit increased to £7.41m (£7.11m). The company now capitalises

interest on borrowings incurred by its development programme, and this reduced the interest payment to £160,000 (£978,000). Low raised £18,000 (£184,000)

an increase it the deterred tax credit in 1985 is taken into account. This would reduce the comparable earnings in 1985 to 32.93p. The board proposes to pay a final dividend of 9p (8p), making a total of 13.5p (12p) net.

Low's development programme is continuing. The company invested £22m on store

#### United Trust & **Credit up 67%**

The directors of United Trust & Credit revealed yesterday that the first six months of 1986 had been extremely active with the company section is what the company section. ing, in particular, an increase in the level of mergers and

For the half year turnover improved by only 1.8 per cent to £8.82m but at the pre-tax level profits increased to £504,000, a rise of 67 per cent over last time's £301,000. As promised in September,

at the time of the company's introduction to the USM, shareholders are to receive an interim dividend of 6p — a final of 8p has been forecast. The directors anticipated continued growth in the second six months, resulting in a record year. Pre-tax pre-fits for the 1985 year more-than doubled to £762,423 — the company has issuing house and corporate finance

During the first half of 1986 shareholders' funds increased to £5,02m. The market value of the company's investment portfolios was more than £1.7m greater than book value. Cash balances were almost £4m.

The directors said the capital base of the Securities subtal base of the securities sur-sidiary had been strengthened by the issue of \$50,000 new ordinary at 29p, raising £246,500 before expenses.

It was intended that these shares be taken up by Raphel, Zorn and its clients but, in view of the problems with SEAQ, this investment was deferred and United Trust Credit and the manage of Securities had subscribed for the shares with the com-pany maintaining its present 75 per cent interest.

# Henderson profits dip by 15% to £2.2m halfway

PROBLEMS in the security divi. £994,000 (£987,000) tax of sion, and weak demand in the £885,000 (£1.11m), minority last year, flend industrial door business, caused interests of £76,000 (£11,000) by a combinate state of the security of th

After a major review of the Normand division, which makes geared electric motors, Hendergeared electric motors, Henderson has decided to dispose of the company. Agreement has already been reached to see one Normand subsidiary, Neco Marine, and the costs of the sale is reflected in an extraordinary debit of £245,000 in these accounts.

The rest of Normand should be sold by the end of the financial year with a management buyout a strong possibility. Net operating income for the half year was £2.46m (£2.87m) on throngers. on turnover up 9 per cent to £41.9m (£88.6m).

After interest payable of

DDT, which came to the USM in July 1984, expects dealings

Mr James Crook, chairman, said he looked forward to continued growth during the current financial year. He added that the UK third party maintenance market for

maintenance market for computers is continuing to grow

at about 30 per cent per annum.
In the year ended March 31
1986, DDT reported pre-tax
profits up 64 per cent from
£713,000 to £1.17m on turnover

Full listing for

**DDT** Group

industrial door outsiness, caused interim pre-tax profits at and extraordinary item. earn-Henderson Group to fall by ings per share were down 11.1 per cent at 6.4p (7.2p). The interior dividend is maintained at ings per share were down 11.1 per cent at 6.4p (7.2p). The interim dividend is maintained at

Following the problems in the security division, the man-agement has been completely restructured. However, it will be 1987 before the benefits of reorganisation flow through into profits.

now diminished with a consequent improvement in margins, but weak industrial demand has forced Henderson to cut prices in the industrial sector, and there is unlikely to be any improvement there in the second half.

by a combination of factors which caused analysts to revise their profits forecasts down from £7m to the outturn £5.5m. This year is beginning to look like a recurring nightmare. Although there was little Hen-

derson could do about weak industrial demand, the management problems in security come be 1987 before the benefits of reorganisation flow through into profits.

Henderson's main area of business is still the production of doors both for garages and for industry. Price competition in the garage door business has now distributed with a consequence. However, it was problems in Security come too quickly after last year's problems at Normand to do the group much credit. The one bright spot in the figures is the improvement in margins on garage doors after a competitor was brought by RTZ. All in all, profits are likely to be flat at 155 m leaving the shares at at £5.5m, leaving the shares at 189, down 23p, on a prospective p/e of 12. Recovery may well be due in 1987, but after the Normand disposal, the balance

sheet will be virtually ungeared and Henderson could look a

Southend Stadium ahead

now carries on business of property development, dealing and investment, produced a pre-tax profit of £64,364 (£59,438) for the six months to June 30 1986.

DDT Group, the company that specialises in third-party maintenance of computers and telecommunications equipment and the distribution of computer peripheral equipment, has applied for a full market listing. The chairman said believed the company's prospects were encouraging. The stadium is two-thirds let with negotiations continuing or with negotiations continuing on the remaining units with prospective tenants, Almost all the entire development was expected to be completed by the end of the year.

Negotiations were in hand for the acquisition of a property company from Shop Construc-tions (Holdings) and the set-ting up of a joint company with the intention of carrying out

fringes of the City of London. Turnover from property sales and rental income — racing activities finished at the end of 1985-totalled £301,000 for the period; administrative expenses were £63,000 and tax took £22,000, leaving earnings per 5p ordinary of 0.75p (0.84p).

SHANDWICK (advertising and public relations)—In his annual statement Mr Peter Gummer, chairman, said in view of substantial growth the group would apply to move from USM to a full listing as group would apply to move from USM to a full listing as soon as possible. For the current year he expected further organic growth supplemented, where possible, by acquisition.

Healthy order books at **Epicure** 

Epicure Holdings, the building steel and engineering company, reported a pre-tax profit of £415,000 for the eight profit of £415,000 for the eight months to August 31 last. No comparative figures were given due to an amended group reporting timetable but Epicure did have a loss of £1.17m for the year to June 1985. It reported pre-tax profits of £409,000 for the six months to December 1985.

Directors pointed out that turnover and profits of most of the group's trading of the group's trading companies had been in line with, or shead of, internal ompany budgets and order books were healthy.

Although the company had made a profit it was not pro-posed to pay an interim dividend as the major aim was still to reduce borrowings and strengthen the company's finan-cial position. However on the basis of present progress the board would consider payment of a dividend when the full year's results were announced.

The chairman, Mr H. Hammarqvist, said that at this time he looked forward to the future with increasing confidence. The only disappointment in the period had been the longer than expected turnaround in the fortunes of the building company but Epicure was confident that with further rationalisation re cently undertaken, this would soon return to profit.

The companies was also proposing further savings in cen-tral costs and additional pro-perty realisations would help reduce UK borrowings.

Turnover of the group in the

#### **COMPANY NEWS IN BRIEF**

HOUSE PROPERTY Company of London: Interim dividend 3p (same), Gross rental income 39 (same), Gross remai income £36,000 (£32,000) for six months to June 30 1986 and pre-tax profit of £13,000 against previous loss of £4,000. Earnings per 50p ordinary 1.3p (loss 1.2p). Administrative expenses of £33,000 (£79,000) included an exceptional item of £13,000 relating to payments of compensation for loss of office to

JAPAN ASSETS Trust: Dividend 0.5p net (same) for the year to September 30 1986, Net revenue for period £85,000 (£155,000) after tax of £160,000 (£136,000). Net asset value per the charm \$23,000 (£136,000). 10p share 83.2p (53.9p) assuming conversion of loan stock and 80.7p (57p) assuming loan stock conversion and warrants exercised. Basic net asset value 86.9p (48p).

Helens Metropolitan Borough Council £0.5m; Bassetlaw DC £0.5m; Dudley MBC £0.5m; Old Wansbeck DC £0.3m.

BERKELEY EXPLORATION: Directors had noted despatch of the formal offer document by Ranger Oil (UK). The company had commissioned an indepen-dent valuation of its principal oil and gas properties and board considered net asset value to be substantially in excess of Ranger's offer, Shareholders advised to take no action pend-ing board's formal advice.

sidiary Coin Industries has sold its coin counting and packaging unit, ICC Machines, to St Albans-based Cash and Security Equipment for £400,000 cash. At June 30 1986 ICC had not assets of £408,631 and recorded pre-tax profits of £7,661 in the 18 months to June 30 1986. Equipment for £400,000 cash. At June 30 1986 ICC had not 18 months to June 30 1986.

Interim dividend per £1 pre-ferred 3.7p (3.3p), and per 25p deferred 1.25p (0.85p). Finals expected to be at least main-tained at 5.25p and 2.8p re-

stores, three of which will be in England. All the English stores will be based around Law's distribution centre in

Newcastle.
The company plans to increase selling space by 100,000 sq ft every year until the 1990s.

It is always cheering when regional companies appear more innovative than their

more innovative than their national counterparts. Many of the improvements in efficiency that Tesco's interim results benefited from yesterday—computerised stock control, larger stores and higher margin products—are well established at William Low. Indeed it was only the troubles with Laws that robbed Low of its premium over other food retailers. The City concluded that Low had not only paid too high a price

not only paid too high a price

for Laws, but that the company was in far worse a state than

anyone, even Low, had expec-ted, and Low's premium of 20 per cent turned into a discount

of 15. With these results Low could wax convincingly, that it has licked Laws into shape and the shares rose by 15p to 555p.

yesterday. The City now expects profits of £8.5m for the current

year, suggesting that the pro-spective p/e of 12 is now at an

comment

the sale of 13 of its tenanted pubs to Gibbs Mew for £1.5m on November 1. The deal follows changes in the company structure and a new emphasis on development in the retail sector following its merger with Inn Leisure earlier this year.

CONSULTANTS (COMPUTER & FINANCIAL), the USM-quoted computer services company, has agreed to acquire Ultimate Data Systems, regis-

YEARLING BONDS totalling #UGHES TOOL: Company's for the goodwill, stock and able on November 4 1987, have been issued by the following local authorities. Bedfordshire County Council fin; Portsmouth (City of) f2m; Alawick District Council £0.25m; East Manuel Company: Net profits the goodwill, stock and fixtures and fittings of P B Lucas, trading at Seefelds dispensing elements in London's Earls Council £0.25m; East ment Company: Net profits store and start trading immediately. for the goodwill, stock and fixtures and fittings of P B Lucas, trading at Seefelds dispensing elements in London's Earls Court Read. It intends to



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Quadrex Securities

London

October 1986

New York

**Feedex** 

19% in

first half

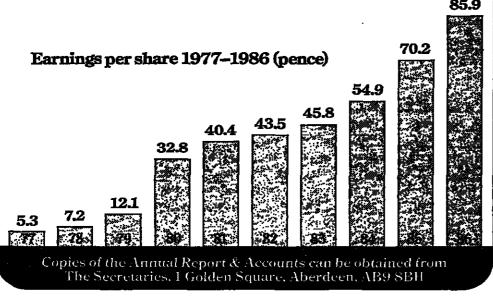
FIRST-HALF 1986 profits from

advances

1986 1985 Increase £2.3m +33% Pre-tax profits £3.1m Earnings per share 85.9p 70.2p 18.5p Dividend 16.0p +15%

Growth continues for 12th consecutive year

Further expansion in the South East



#### **Amber Day** to eliminate preference

covery in profits of clothing retailer, importer and manufacturer Amber Day has prompted the directors to pro-pose that preference dividend arrears be extinguished and holders of the shares offered seven ordinary shares for every

Details of the proposals are contained in a circular to be sent to shareholders with the annual report.

the period May 1 to October 31 1986 and enable the board to consider the resumption of payment of ordinary dividends.

Pre-tax profits for the 53 weeks to May 31, 1986 rose 53 per cent to £557,000 compared with £364,000 for the year to May 25 1985, thanks to a champ acceleration in sales in the second half. First half sales were affected by chimping

against the dollar.

Associate John Kent, the

# All round progress lifts Globe Trust 15% to £11m

Globe Investment Trust made ments fell from £1.22m to total assets of some £900m, all-round progress in the first £628,000 and other income six months of the 1985-87 year showed a decline of £407,000 at showed a decline of £407,000 at benture issue. The directors and for the period lifted its £2.01m. Administration exsaid yesterday that the long-profits at the attributable level to £10.97m, an improvement of (£832,000), leaving investment get into "special situation" trust earnings at £17.95m, companies.

£9.51m. Profits for the second against a previous £17.15m. quarter rose from £5.38m to £6.65m.

Commenting yesterday Mr David Hardy, the chairman, said the result was particularly

growth investments in the UK and overseas.

Mr Hardy added that other notable features were an increase in underwriting and a decrease in borrowing. He warned, however, that the profits increase shown at the interim stage would not be repeated in the second six months. Gross income for the opening half year (to September 30 1986) rose from £17.98m to £18.88m. Income from listed investments totalled £13.18m (£12.1m) and that from unlisted investments £3.06m (£2.52m)...

investments £3.06m (£2.52m)—some 10 to 11 per cent of the

Attributable profits, including subsidiaries' earnings of £700,000 (£1.1m), were struck after tax of £4.93m (£4.83m) and minorities of £30,000 (£6,000).

Basic earnings worked through at 2.11p (1.88p): fully diluted they amounted to 2.09p (1.85p). The interim dividend is stepped up from an adjusted 1.33p to 1.38p. In the six months to Septem-

In the six months to September net asset value per share fell from 163.02p to 157.23p basic and from 156.08p to 153.78p fully diluted.

Mr Hardy said the UK portfolio had a mixed performance and in the US there was a difficult market with few discorpcult market with few discernable trends.

The Japanese portfolio per-formed well although concern about the yen resulted in some of the portfolio being hedged against a dollar rise.

The group, the UK's largest listed investment trust with

#### comment

ing in the investment trust merket end these figures failed merket end these figures tailed to shift the share price from 122 p. Globe's main strategy is to build up large stakes in key companies which makes a lot of sense in the long term but can produce stody short term results—hence the, expansion into the more volatile unquoted is sector. At present, Globe is into the more volatile inquoted sector. At present, Globe is taking a positive view on US recovery prospects with a consequent move into US transport stocks and Japanese bine chip exporters. Investment performance over the past year has not kept pace with the sector average and the relatively low discount to net asset value (just average and the relatively low discount to net asset value (just over 20 per cent) owes more to rumours of Nomura's interest than to fundamental strength. Although a yield of 4.3 per cent will give support, the share outlook is likely to be duil.

Freedex Agricultural Industries rose by 19 per cent to £502,000 and the outlook for the rest of the year was clouded only by the inability to predict the final content from engineering. out-turn from engineering.

Mr Derek Sawyer, chairman expressed his confidence that all other divisions were well placed to repeat or improve upon their current performance in the second half. He went on: "Indeed, en-

couraged by the opportunities for expansion, particularly in the white meat sector, the board approved substantial capital approved substantial capital expenditure on the refurbishment of the mill at Burstwick, which will increase capacity and result in considerable costsaving benefits."

The company's cash flow benefited by £1.3m through the rights issue of June, and there was general improvement in

was general improvement in liquidity which strengthened the capital base to support investments.

In the half year turnover fell marginally to £19.26m (£19.67m) but the real trend was upward when allowing for the state of the state o reduced oil prices in fuel distribution business, Mr

reduced oil prices in fuel distribution business, Mr Sawyer stated.

A split of athat and the pretax prot showed: feed £9.74m (£9.6m) and £358,000 (£306,000); pig production and marketing £719,000 (£707,000) and £86,000 (£115,000); agricultural services £3.95m (£4.85m) and £89,000 (£68,000); engineering £4.85m (£4.51m) and £92,000 (£76,000), less loan interest £123,000 (£145,000).

The chairman said that agricultural services, feed, and pig

cultural services, feed, and pig production and marketing divi-sions all performed weel against a backcloth of a more stable pig market.

Engineering continued its turnround into profit which was satisfactory because of export earnings. Markets continued to be most unpredictable. The current low order book necessitated a further slimming

necessitated a further slimming of Rowlands Engineers' manufacturing operation with consequent redundancies.

Interest charges of £266,000 (£311,000) were provided for in arriving at the pre-tax profit. Tax took £192,000 (£160,000) and minorities £4,000 (£5,000), Earmings were 2.21p (1.85p) per share. On capital increased by the rights issue the interim dividend is held at 0.5p net, and absorbs £92,000 (£69,000).

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# arrears A strong and sustained re-

two cumulative redeemable preference shares held. Preference dividends in re-Preference dividends in respect of 2m 101 per cent cumulative preference shares, due since October 31 1981 have not been paid and arrears at April growth investments in the UK been paid and arrears at April 30 1986 amounted to £1.05m net of Advanced Corporation Tax.

The proposals are subject to Inland Revenue clearance and approval of both ordinary and preference shareholders. Ap-proval will enable the board to recommend a dividend of 5.25p (net) per preference share for the period May 1 to October 31

were affected by shipping delays. The group also benefited from a steadier sterling rate

Associate John Kent, the menswear retailer, reported a satisfactory increase in profits and sales, and profits to Amber Day from this area rose from last year's £248,000 to £295,000 for 61 weeks.

All these Notes and Bonda having been sold, this support and appears as a matter of record on

#### KINGDOM OF DENMARK

#### DM 1,000,000,000 Issue of 1986

DM 750,000,000 5% % Notes due 1991

#### GIROZENTRALE

#### COMMERZBANK

CREDIT COMMERCIAL DE FRANCE

PRIVATBANKEN A/S ABC Union Bank of Norway

ene Bank Nederland N.V. ANZ Merchant Bank Arab Banking Corporation Daus & Co. GmbH Arabian General Investment Corporation (AGICO)

Bankhaus H. Aufhäuser Bedlache Kommunale Lar Banca Commerciale Italiana Banca del Gottanio Banca Manusardi & C

BankAmerica Capital Markets Group Bank der Bondst Bank Brussel Lambert N.V. Rank of China London Stanch Bankers Trust GmbH Bank für Gemein

Bank Gutzwiller, Kurz, Bungener (Overseas) Limited BKA Bank für Kredit und Au Bank of Tokyo (Deutschland) AG Banque Française du Commerce Extérieu Renove Générale du Liuxembourg S.A.

Banque internationale à Luxembourg S.A.

Banque Nationale de Paris

Benque Paribas Capital Markets Gmbi Barciava de Zoeta Wedd Limited Baring Brothers & Co., Limited Bayerische Hypotheken- und Wechsel-Bank Aktionnesellschaft

Bayerlache Landesbank Bayerische Vereinsbank

enberg, Gossler & Co. Joh. Ber Bergen Bank A/S Berliner Bank Berimer Handels-

Backhaus Gebrüder Bethmann Bremer Landesbank Kreditanstall Oldenburg Calese des Dépôts et Consignations

Chase Bank AG Chemical Bank Aktiengeselischaft Christiania Benk (U.K.) Limited CIBC Limited

Compagnie Monégasque de Banque

DM 250,000,000 6¼ % Bonds due 1993

**DEUTSCHE BANK** KREDIETBANK INTERNATIONAL GROUP

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Llowds Merchant Bank Limited LTCS international McLood Young Weir Inte Merck, Finck & Co. Memili Lynch Capital Markets B. Metzler seel. Sohn & Co. Mitsubishi Finance Interna

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Westdeutsche Geno Zentralbank e.G. Westfalenbank Westpac Banking Corporation Wood Gundy Inc.

#### **Exceptional items put** Channel Tunnel loss Nimslo in the black Channel Tunnel Investments,

the company originally set up to develop a Channel Tunnel but now principally an investment company, reported a pretax loss of £2,202 in the six months to June 30 1986. Last time it turned in a profit of £1 917

loss reflected the increase in the period. These rose from administrative overheads for 25,596 in the six months to June 30 1985 to £18,732 this

which included professional fees, were directly related to the course of action being pur-sued by the board to establish sued by the board to establish the value that could be derived from the development expendi-ture incurred by the company in earlier years.

Gross interest from listed in-estments amounted to £16,289 (27,471). The company paid no tax and the loss per share worked through at 0.15p—last time earnings came to 0.09p.

Nimelo International, the agree troubled 3-D camera maker Nisse which is based in Bermuda, has 1986. US\$274,000 (£193,000 at current exchange rates) for the six months to July 31 1986, compared with a loss of \$2.66m

But this was after crediting exceptional items of \$1.87m (nil) which resulted from the licence and technical assistance

an 80 per cent increase over the most recent middle market quotation.

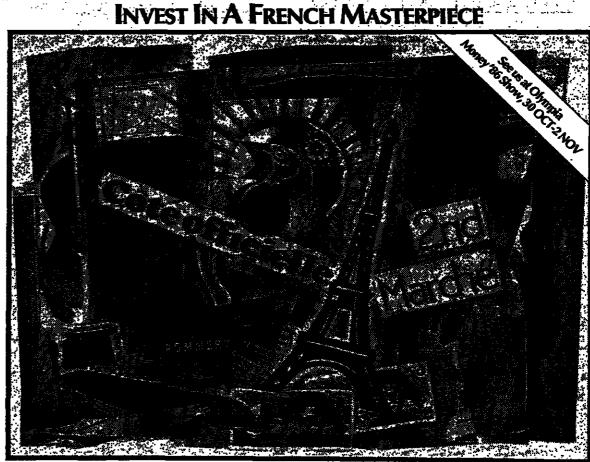
International, the agreements completed

Western United 'tidies up'

Western United Investment, the holding company for the Vestey food, meat and trading interests, is offering to buy out the minority holders of the 10 per cent preference shares of Union International, the publicly quoted group.

Union International, the ordinary shares of which are already entirely held by Western described this as a 80 per cent increase over holding company for the Vestey food, meat and trading interests, is offering to buy out the minority holders of the 10 per cent preference shares of Union International, the publicly mosted group.

# Union International, the pub-licly quoted group. Union International, the ordi-nary shares of which are already entirely held by Western, described this as a "tidying-up operation." Union will, however, remain a public



#### THE NEW EBC AMRO FRENCH GROWTH TRUST

There's been a lot of good news recently about investment opportunities in

France.

It's not hard to see why. The Paris Stock Exchange Index has risen by over 150% (weighted for sterling) in the last twelve months, and there are very good reasons why it should go on rising.

Economic growth is anticipated at 3% a year, but, more importantly, corporate profits are expected to grow at 30% this year and next.

And the new government under Jacques Chinac is committed to wider share ownership through a programme of privatisation similar to the one in the UK that has had such a dramatic effect upon the London stock market.

So the time is right to invest in France.

THE BEST WAY TO INVEST in the past it hasn't been easy for the UK private investor to know how to invest. ely in the French stock market.

But now there's the EBC Anno French Growth Trust.

EBC Armo has considerable experience of the French market through its n involvements. Even so, we did wisitaniy sensible investor would do, we talked to the French ent experts at the highly respected Banque Privée de Gestion Financière INVESTMENT CONNOISSEURS

Then we went one better - we appointed BPCF investment managers to the securities, has risen by over 260% since December 1979 (not weighted for starling). In all, they are responsible for over £460 million in over 20 in-house funds of various kinds; they are extremely active in the bond markets, in finance for French industry and in the privatisation programme. FOXED PRICE OFFER Units will be offered at a 1% discount on a fixed price of 50p per unit until 3rd November, 1986.

3rd November, 1986.

HOW TO INVEST

Complete the application form and send it, together with your cheque made payable to BIC Armo Unit Trust Management Limited, clo Manchester Unit Trust Administration Company Limited, FREEPOST, Manchester M2 881 (no stamp required). If you don't have £500 immediately available, send for details of EBC Armo's Monthly Savings Plan by ticking the appropriate box in the coupon. If you already have shares your would like to exchange for units in this Trust, please fact the appropriate box in the coupon below.

Remember that the price of units and the income from them can go down

**GENERAL INFORMATION** 

GENERAL INFORMATION

Contract notes will usually be sent by return of post. You will receive a Unit Certificate within six weeks of receipt of your cheque.

An initial charge of Six included in the price of the units and an annual charge of 1.25% (+ VAT) of the value of the fund is deducted from the fund's income. Prices are quoted daily in The Financial Times.

Estimated gross current yield is 1.5% at the launch price of 50p per unit. Managers' reports on the fund will be issued by 1st November each year. Income will also be distributed annually net of basic rate tax by 1st November. Trustee: Midland Bank Trust Company Limited. (Not open to residents in the Republic of Ireland.) A member of the Unit Trust Association, Renounceation is payable to qualified intermediaries and the rates are available on request.

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EBC AMRO FRENCH	4 ( .R	:OWT	i iri ici	15 STATE OF
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APPLICATION FORM	1444		F	

We wish to invest 2. In units in the EBCAmio Prench Growth Trust at the price ruling on receipt of this application (minimum investment £500). Fixed price offer less 1% discount applies until 3rd November 1986, I am/We are over 18.

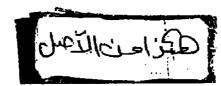
Please tick relevant box if you require the following:

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Details of the EBC Armo Monthly Savings Plan. Details of the EBC Armo Share Exchange Scheme



Count applicants must sign and attach names and addre



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Something to keep aunty in change! (7)

Financial Times Thursday October 30 1986 **AUTHORISED** FT UNIT TRUST INFORMATION SERVICE LONDON RECENT ISSUES **UNIT TRUSTS** EQUITIES - 207
- 122
- 145
- 109
- 109
2410 151
1600 112
2410 166
- 28
7611 208
2410 245
5511 138
- 149
2410 365
- 33
2410 90
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Chase de Vere's Unit Trust Outlook is packed with information and advice | 136 | 14.9 | 14.9 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 16.1 | 1 +04 115 +05 11 176.74 82.04 39.5 148.4 52.34 113.2 -0.2 8.34 -0.3 8.34 +0.3 4.82 +0.3 1.34 +0.5 1.34 +0.9 0.00 +0.9 0.00 +0.9 0.00 +0.9 0.00 +0.9 0.00 +0.9 0.00 +0.9 0.00 +0.9 0.00 +0.9 0.00 +0.9 0.00 +0.9 0.00 +0.9 0.00 +0.9 0.00 +0.9 0.00 from 15 leading Unit Trust Groups. 92.4 93.5 97.7 271.4 178.9 183.1 201.3 299.8 371.9 01-256-6044 1-47 5.15 1.80 To obtain your free copy ring 01-404 5766 17.4 12.0 13.4 18.1 9.0 9.2 20.5 0.458 9002 +1.4 03 +0.2 03 +0.2 50 +0.3 23 +0.5 23 +0.5 23 -0.1 03 +0.5 23 -0.1 03 -0.2 13 -0.2 13 Emanya Funda | 121.0 | 177.6 | 1.11 | 4.85 | 1.85 | 1.85 | 1.87 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | F.T. 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American Saniter Co. 164.6 70.1

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Trian General 117.5 125.1ml | Royal Ldn. Hys. CatchesterCD1 1RA | Train General | 117.5 | 125.1ml | U.S. Crimen | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 | 172.8 190 West Gebres S., Georgee
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101 (Accord) 191.6
102 (Accord) 19 Sign 522 Sign 537 Sent Services Ltd See TN9 10Y Ball Court Final Mingt PLC 11 Stanfield Street, London 6E234 21.8. 03-589 5171. For Estate: 200.0 29.07 0.77 America: 219.5 255.5 0.25 UK & Lenguar 330.5 983.5 1.46 6 Fail to appreciate value attached to Franco-German articles (9)
7 Sound fruit (5) ACROSS

1 One abandoned by players on opponent's ground (8)

5 Generous protection for drivers (6)

9 Sent about ten cents as a denosit (8) 76.4 77.4 162.5m 125.4m 177.4 309.0 36.1 40.8 | Description | 0.59 0.59 5.20 +0.7 1.50 -1.1 1.60 +0.4 3.59 +0.4 3.59 # Ltd 01-62 97,7 88,9 28,9 28,9 28,9 28,7 60 S 7 Sound fruit (5) 8 Return to digs for economy's +0.1 5.01 +0.1 5.37 +0.1 4.% -0.3 10.63 | 17.2 | 17.4 | 17.5 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 17.6 | 01-527 1-1-227 1-1-46 Moorgale, London ECIR &CL

American Gris (In. 157.3 G.3.4)
Councido Eserg (III. 152.4 34.3)
Christe Sq. (III. 152.4 34.3)
Risk Held Inc. ( sake (8) Came out top (4) Account limits and lin 9 Sent about ten cenus as a deposit (8)

18 A number almost set right (6)

19 Hesitantly stated a colour and was wrong (5)

10 Having no remedy but to suffer on an island retreat (9)

10 Look knowing about it?

11 Came out top (4)

12 Weeds running riot in farm in Derbyshire (9)

13 Black-leg promises to pay for a herb (8)

24 Old coin about a pound (4)

25 Trice the rest in knots (7) 23 39 365 403 304 10.63 10.63 \_\_b7.8 Minster Fund Managers Ltd Minster Hosse, Arthur St. ECAR 98H Minster 1090 114.0 Exercit August 29 257.2 265.2 1225745 +05 122 +05 122 +05 122 +05 122 +05 122 +05 123 +05 123 +05 05 -05 05 -05 05 031-556 9101 --- 3.37 +0.4 2.57 +0.2 1.58 +0.4 0.36 +0.2 0.63 01-588 2721 | Second | S +13 247 +15 3% +08 583 +16 194 Quite (6)

16 A commodity extensively used (7)

19 Dismiss a money-handler (7)

21 Tendencies for a right back to get goals (6)

22 Vegetarian treat for the workers (4-5)

25 It's made with a billiard cue—straight upl (5)

26 Call for resignation causes uproar (6)

27 Old coin about a pound (4)

28 Let out the smallest amount, say (6)

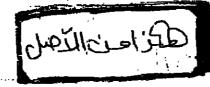
29 Hany a song has a girl's name (5)

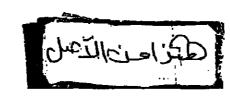
20 Many a song has a girl's name (5)

20 Selution to Puzzle No. 6,163 +0.2 1.00 1.100 -0.1 1.00 -1.0 53.4

| hmm | 1111.5
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18.60	25 Many a song has a girl's 65.4 60.5 94.4 658.66 806.4 333.5 58.0 uproar (6)
27 Rows about stray dogs (8)
28 County coach (6)
29 Attacked as the ship left port Access Units On 25 — 1944.2 SOA 9
leature Octobe 29 — 1945 104.8
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LCS Fund Managers Limited
125 High Hote 4, London WC1V 6PY
CS Augura 197 — 1973 11.0
CS Augura 197 — 1974 11.0
CS Augura 197 — 1975 11.0
CS Augura 1975 11 07-405-7300 27-4 27-4 27-4 27-4 ### 16 | 16 | 185,4 | 186,4 | 186,4 | 186,4 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | 186,5 | Morwich Unit Trust Managers 1 Obtains money from a hun-dred deposits (6) 031-225-4372 +01 000 +02 0.78 0.03 +03 499 -02 0.65 187 +02 2.08 +02 545 1 mdos EC2M 4YJ Dezang: 01-626 1033 + 625 109.1 + 603 223 + 64 1840 + 164 1813 - 69 59.5 + 64 01-626-9431 +022-349 +023-349 +034-35 +144-15 -039-09 +044-10 The ways in which an adder is so wriggly (4-5)
Directed me to help out (5) Octavian Unit Trust Myrs Ltd 84 Ferchurch St, Louise EC3M 4BY

		Financial Times Thursday October 30 1986
Whittingstale Unit Trust Managers   2   Honey Law, London (CCV GET   Q1-606-90856   For Exel Fund   270.6   217.5   -0.3	AUTHORISED UNIT TRUSTS & INSURANCES	Production Assurance Co  Nobure Sars, Leaden ECLN 2011 (71-405 9222 Da. Action Assistants Contact Production
11 Blondletd St. Landon EC214 7AY 01.588 0592 For other prices phone brigations 0708 605101640888  Troub Plant 1709 73.00 1.588 0592 For other prices phone brigations 0708 605101640888  Vertical Medical/Fidelity International	Equity & Law Contd.   189 Sensed Life Ages Contd.   184 - 0.6	Control Francis   Control Fr
Wyodowne Pa, Fang Báge, Haidersfleit 0484 602250   19.7.7   19.7.8   19.7.7   19.7.8   19.7.7   19.7.8   19.7.7   19.7.8	10   10   10   10   10   10   10   10	778
AA Friendly Seciety   Feb. 221   121.0   131.6   131.4   141.7   131.4   141.7	- Family Grouph Series 1 100-6 100-7	Regency Life Assurance Ca Ltd   101-81   102-81   103-8
Abbusy Life Assurance Co Ltd 80 Holdenburst Rank, Bournementh (2002 \$92373)   192	The statement of the st	Par East   Paris   P
American Ser, 4	Porting Manager Fant, 157.4 96.1 104.0 50.5 156.	Reliance Motori Section Life Investments
Property	Derricks 12 Feet   192.8   192	Property Control   Property   P
Agen	Servindate Con. 157.4 126.3 +0.01 - Equity Fig. 158.3 572.4 -1.2 - Do. Access 278.3 215.1 +1.3 - Named 16-eat (0) 176.2 596.1 -0.6 - Servindate Acc. 181.7 191.3 +0.1 - Property Fig. 175.7 185.0 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 189.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 199.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 199.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 199.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 199.1 -0.3 - Equity (16-eat (0) 176.2 596.1 10.9 - Pea. Sect. Sta. 155.0 199.1 -0.3 - Pea. Sect. Sta. 155.0 199.1 -0.3 - Pea. Sect. Sta. 155.0 199.1 -0.3 - Pea. Sect. Sta. 156.0 199.1 -0.3 - Pea. Sect. Sta. 156.0 199.1 -0.	Emily Act.   1915   1918   Pers. Partic   1909   2011   407   First int Cop.   1915   1774   Pers. Emily E
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130.56   133.22   +0.99   Equity   229.94   220.05	array for the 1981   1441   145   14	Op Main         489-77         -1.0         11.0         540-67         11.0         11.0         540-67         11.0         540-67         12.0
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Wrest Earnings Acc.   154.6   133.14   Fland in   133.11   136.1   1	Pen Cash Dep Act	### Inflament—Geries A American Constit. 76.9 83.1 -0.1 Dt. Ord. 1750 149.2
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74 Shepherds Bug8 Green, W12 850   01-740 7070	Dalling Sec.   110.2   116.1	Cold Start 54.5 57.4 +3.9 PR Low Or. 27 082.8 182.8 +0.1 Redged American 075.8 111.4 -0.7 Er Unit Are Oct 13 054.4 562.2 Redged American 075.8 111.4 -0.7 Er Unit Are Oct 13 054.4 562.2 Redged American 070.3 210.9 +0.8 Er Unit Are Oct 13 054.4 562.2 Redged American 070.3 210.9 +0.8 Er Unit Are Oct 13 054.4 562.2 07.278.4488 learner 071.7 28.0 Person Nagel (Are) 162.0 +0.7 08.6 Errory 114.6 120.7 -2.8 Person Nagel (Are) 162.0 +0.7 08.6 Errory 114.6 120.7 -2.8 Person Nagel (Are) 162.0 +0.7 08.6 Errory 114.6 27.4 +0.2 State Stat
Printler Range Rangel Acc.—Life   1017.7   107.0   -0.4   CCC   Prevential   102.3   202.5   Named Acc.—Procless   102.3   107.7   -0.5   CCC   Prevential   102.4   202.5   Other unit prices analysis from American Life Buildix: Assurance Francis   102.5   102.7   102.5   Display   102.5   102.7   102.5   102.7   102.5   Namegel Growth   200.70   200.5   Namegel Growth   200.70   200.5   102.7   102.5   Namegel Growth   200.70   200.5   Namegel Growth   200.70   200.70   Name	Galants Males   100.4   100.8	Ban Geb   George
Barclays Life Asser. Co Ltd   Control of Con	Per Git Plats   117.6   127.8   142.2   North Agentrum   175.0   152.7   147.7   Manufcigal Life Assurance Ltd   Menny Franci (A)   22.20   22	10   10   10   10   10   10   10   10
Maney Access	Per Frenchiston	100   100
Spec SR: Yel Actions   1318   125.1   4-2.2   Managed Acc   306.1   322.2   40.7	2-be Prince of Wastes Rg, Bournelsmooth USDZ 767-55 Dr. Account. 1193.6 255.9 — Account Provider By Wastes Rg, Bournelsmooth USDZ 767-55 Dr. Account. 1193.6 255.9 — Account Provider By Table 1193.0 — Provider B	Degree   100   1
Black Harse Life Ass. Co Lbi  36a Neph St, Castrian  36a Neph St, Ca	1999 Trial Fig. 74   274.58   274.44	Section   1827   11.6.0   12.2.2
Met. Army & Gen. 8t.   198.22   208.64   Flood Interest   223.3   234.3   Entroying In. Fee.   113.44   114.54   Interesting	Section Ref.   197.4	Do let
Statistics   Life Assurance Co Ltd	Flambid Figures   124.27	cont Veris Manys
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# Soviet grain imports to fall further MARKETS

CEREAL IMPORTS by the Soviet Union, by far the largest buyer on the world grain mar-ket, look set to drop further this season following an unpre-cedented fall in 1985-86, according to the latest estimate from the International Wheat Council.

The council, an inter-governmental market monitoring body, yesterday slashed its estimate for Moscow's grain imports in 1986-87 by 6m tonnes to 29m. This reflects a better-than-expected harvest in key Soviet growing areas and a sharply-reduced pace of purchasing -possibly stemming from the fall in oil prices, which has cut Soviet foreign exchange

As a result, world trade in wheat and wheat flour now looks unlikely to rise far above its already severely-depressed 1985-1986 total of 85m tonnes. World trade in coarse grains such as maize and barley, is estimated to be only 2m tonnes higher than last year's 86m tonnes. The new figures are bound

to deepen the gloom among the small band of leading cereal exporters—mainly industrialised countries, which have been waging a bitter fight for market years ago. Coarse grain proshare in recent months. The duction is put at 834m tonnes, market has become overwhelmingly dependent on buying by record. World carryover stocks the Soviet Union, which conof both wheat and coarse grains seems likely to increase
sumes large amounts of imare expected to rise again modestly in the next five years,
ported feed grains in its livesharply next year to 169m and enabling the country to reduce

Conservation and management Zone runs the risk not only of not saving more fish but of also chilling the diplomatic climate again on the whole Falklands

Behind the multilateral approach spearheaded by the United Nations Food and Agriculture Organisation (FAO) was the realisation that combination of a lack of regulation and overfishing in recent years

had considerably depleted fish-ing stocks in the South Atlantic, endangering the survival of

the Falkland's single most important natural resource.

Within the 150 mile protection zone set up following the war by Britain around the

mainly from Eastern European countries, had increased from 250 in 1984 to 600 in 1986, with

total catch valued at over

	SOVIET GI (m			
	Wheat	Coarse grains	Other	Total
1986 (est)	78.0	94.0	13.0	185.0
1986 (est) 1985	78.1	190.0	13.6	191.7
1984	68.6	90.5	13.5	172.6
1983	77.5	101. <del>9</del>	12.8	192.2
1982	84.3	91.8	<b>10.7</b>	186.8
1981	81.0	69.4	7.7	158.2
1976-80 ave	99.7	94.9	10.4	205.0

stock industry; its reduced pur-chases underline the need for In the Soviet Union restructuring in the agricultural industries of the west. The latest figures also demon-

strate once again the fragility of the current US effort to boost of the current US effort to boost its grain sales. The council says Canada appears to have reclaimed its position as the Soviet Union's leading wheat supplier, and that the pace of US exports in general looks likely to fall off in the next few months. months after quickening markedly during the summer. The IWC now estimates world production of wheat in 1986 at 515m tonnes, very close to the record achieved two

Britain and Argentina fish for

by Argentine trawlers in the

Both the Beddington and Argentine reports coincide in

their assessments that the blue whiting is now being seriously overfished. It is a low-valued species but is caught mainly by the Polish fleet for converting into fishment

However, Argentina's recent bilateral fishing agreement with the Soviet Union, which

drew an angry diplomatic response from the UK failed

to satisfy the conservationists. The Soviet Union is committed

to expanding its own livestock production and Polish fishmeal

will be an important element in

these plans. Moreover, the

agreement only limits one catch for the first year to 208,000 tonnes, which is above the existing levels of Soviet and Bulgarian catches in the

trouble in the South Atlantic

JUST FIVE MONTHS ago the announcement that Argentina had agreed to join Britain in talks aimed at establishing multilateral fishing agreements governing the Falklands appeared to signal not just a boost for conservation but also a considerable thaw in an otherwise icy diplomatic climate.

Yesterday's announcement by Britain unilaterally establishing a Falkland Islands Interim Conservation and Management Zone runs the risk not only of the Falklands zone; and squid caught mainly by Japanese, South Korean, and Polish trawlers both within and outside the Falklands zone and by Argentine trawlers in the

JUST FIVE MONTHS ago the the future of three principal

In the Soviet Union, dry weather in important growing areas such as the so-called New Lands helped harvesting. There are also reports of bumper crops in Siberia, the Urals and Kazakhstan, and of significant yield increases on farms applying intensive technology, council says.

For the first time in nearly

six years, it has firm official statistics to work on. The Soviet authorities have recently re-sumed publishing production data, which show—as expected—that average annual grain output fell sharply in the first half of the 1980s. Between 1981 and 1985 average production was about 10 per cent below that in the previous five-year period.

Soviet wheat production

itself unable to police with total success the military exclu-sion zone. By superimposing a fishing zone on the military zone

tially its naval presence in the area Britain risks the same slippage in control on conser-

what yesterday's declaration is bound to do, however, is to aggravate the sovereignty issue. It will initially exclude Argentine trawlers from practically all the host feeling grounds in

all the best fishing grounds in the South Atlantic at a time when the Argentine Govern-ment is under pressure to recon-

cile its ecological concerns with the need to boost the domestic

fishing industry and assuage entrenched nationalist feelings.

Significantly the Iniden report extends its analysis to include a reference to the potential of the Argentine fishing

fleet and what it alleges was the effectiveness of Argentine regulation prior to the 1982 Falklands War. Inidep impli-citly reaffirms Argentina's claim to the Falklands and its sur-

rounding sea, and the country's readiness to exercise effective

In recent months Argentina

has intercepted a growing num-ber of foreign boats operating in the South Atlantic. Britain, on the other hand, has come

under intense pressure from the Falkland Islanders — who are

its grain imports further, according to a report\* published this week by the Economist Intelligence Unit.

It says that the world's grain exporters are likely to continue fighting for declining markets unles they — and the US and EC in particular — face up to the need to scale down their agricultural industries.

"The EEC and the US are likely, still, in 1921 to be divided by a still in the scale of the US are likely, still, in 1921 to be divided.

by agricultural trade disputes and both may be at odds with the other major wheat exporting countries, Argentina, Australia and Canada," it says. "While most importing countries will be making every effort to achieve self-sufficiency, exporting countries wil have to con-trol their production to remain

The report also points to significant changes in the pattern of wheat trade, with an asing proportion of both production and consumption production and consumption taking place in developing countries, particularly in the Far East. By 1991, it expects 43 per cent of world production and 54 per cent of production to be accounted for by the developing armid company with only ing world, compared with only one third and less than half respectively in 1980.

Wheat to 1991: adapting to oversupply by Richard Wood-hams; £95 from Economist publications, 40 Duke St, London W1.

Oil price

continues

OIL PRICES continued to slide Oil Prices continued to state yesterday on both sides of the Atlantic, with Brent Blend for December delivery falling by about 40 cents to \$13.25, and

West Texas Intermediate trad-ing in New York at lunchtime

yesterday 30 cents lower at \$13.85. Yesterday was the fifth successive day in which prices fell, contributing to a total decline over the last week of about \$1.50.

The market took no comfortion reports that, far from offering price discounts as had been feared on Monday, Saudi Arabia was increasing the price of Arab heavy crude by cutting the differential to Arab light from \$1.90 to \$1.25.

The reason for such a cut is thought to be mainly technical, correcting a pricing anomaly. The price of heavy crude on a netback basis had moved out.

of line with the price of net-back light oil less the 1.90 dif-

Some traders yesterday were puzzled by the continued weak-ness in the market. "We started

off this morning feeling we had

bottomed out for the time being

— and then one big seller came in and the price just dropped,"

On Nymex heavy selling orders were triggered as the price fell below \$14, to the lowest levels since Opec pieced

together its production agree-ment at the beginning of August.

By Lucy Kellaway

slide

COFFEE FUTURES prices plunged in London yesterday amid what some dealers described as panic selling. The January position's £165 fall to £2,222.50 a tonge ended a run of six consecutive daily gains which had lifted the price by £214.50 a tonge. That rise, which followed a period of which followed a period of seesawing price movements, had given new confidence to bullish speculators. But many of these were quick to unload their coffee positions yester-day when a fall inspired by overnight weakness in the New York market pushed the price through a technically significant chart point at

significant chart goint at \$2.285 a toune. With stop-loss orders being triggered and buyers standing aside from the market the selling snowballed in the afternoon. Dealers said uncertainty about whether Brazil intended to ship the coffee it has recently bought on the London futures market continued to make for market continued to make for nervous trading. On the London Metal Exchange aluminium prices lost further ground in response to news that workers at Alcan's smelter in Sebree, Kentucky, had voted to end their strike, which began back in June.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

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	close (p.r		High/Lo
Cash 5 months	796.5-7.6 812.6-8	5.75 5.75	798,5/798, 817,5/81
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COPPER

Grade A	Unoffic'i	+01	High/Low
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Official closing (em): Cash 888.5-900.5 (902.5-3): three months 925-7 (927-8): settlement 900.5 (903). US Pro-ducer prices 16,550 cents per pound. Total turnover: 63/58.5 tonnes. LEAD

	Unofficia close (p. £ per	tonne m.) —	High/Low	1
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NICK	EL			ŧ

	Unoffic close (	olal + or (p.m.) - r tonne	High/Low	Opening unches in light volume day held within the Eb above the prevented to the prevented
nths	2530-40 2587-90	⊢15 ⊢14	2595/2585	failed to attract
icial	closing	(em): C	ash 2533-5	tebara on and t

TIN KUALA LIMPUR TIN MARKET: Close 15.40 (15.05) ringgit per kg. Up 0.35 ringgit per kg.

H'gh grade	ciose (p.:	High/Low	
Cash 3 months	610-2 602-3	+10.6  +4.5	605/4 606/597
Official (808-7); to 4); settler	closing ( hree mont nent 606	tha 6000-0	.5 (903.5-

ZINC

US Prime Western: 44/50.75 cents per

GOLD Gold fell \$8°, to \$405-405°, on the London bullion market yesterday, as Comex in New York added to losses seen earlier in Europe. News that 6,700 out of the 30,000 miners on strike at Gold Fields of South Africa had returned to work may have helped the matal off list low of \$4023-403°, it opened at \$410°,-410°, only slightly below the day's pask of \$410°,-41°, Gold was fixed at \$407.75 in the morning and \$405.80 in the afternoon.

GOLD BULLION (fine ounce) Oct. 29 Close ....... \$405.4051<sub>2</sub> (£2861<sub>2</sub>.287) Opening \_ \$4101<sub>4</sub>.4101<sub>4</sub> (£2881<sub>2</sub>.390) Mfn'g fiz. \$407.5 (£288.505) Aft'n'n fix \$405.80 (£286.683) (£286 ta 3013a) (£289 ta 303) (£289 ta 303) (£289 ta 301) (£285 ta 493 ta) (£71 ta 77) (£235 ta 395 ta) (£31 ta 335) (£58 ta 705) (£58 ta 495 ta) (£340 £76 ta) (£340 £76 ta) Am Esple. \$421.436
Mapleleaf \$423.42612
Krg\*rnd., \$409-411
14 Krug.... \$2014-81112
14 Krug.... \$101.1083
Angel..... \$414-417
1/10 Angel \$433.464
New Sov... \$97-98
0id Sov.... \$97-98
330 Esple \$480.530
Noble Piat \$682.592

SILVER

Silver was fixed 3.75p an ounce lower for spot delivery in the London builton market yesterday at 385.4p.
US cent equivelents of the fixing levels were: spot 559.5c, down 6.3c; hrse-month 567.5c, down 6.55c; sixmonth 575.85c, down 6.75c; and 12-month 591.28c, down 7.6c. The metal opened at 386.400p (564-566c) and closed at 394.396p (567-559c).

SILVER Builion + or L.M.E. + or per fixing Price Unofficit 3pot ...... 395.40p 3.28 388.6p 3.5 5 months 408.40p 3.80 404.6p 5 1 months 417.00p 4.85 — 6 12 months 437.30p 4.80 — — LME—Turnover: 4 (56) lots of 10,000 cz. Cash high/low 395g; three months high/low 405p, final kerb 404-5p.

SOYABEAN MEAL An active day asw good commercial buying against option hadge selling with further option placements on June ct a £4 pramium, reports Muirpace.

1,066 (4,121) lots of 20

#### US MARKETS PLATINUM AND

futures closed lower following an early morning plungs, while silver was moderately white suver was moderately to wer, reports Heinold. Trading was very active in all the trading rings. Platinum led the decline and fell the sharpest on reports that workers at South African gold and coal mines had reached a labour settlement which erased concerns of supply disrup-tions. Gold trading was distrinons. Goin training was distributed among locals, commission houses and computer funds with traders trying to test the \$403 level in December. Trading was again presumed by lawar all prince and sured by lower oil prices and technical selling. Physical technical selling. Physical selling in the overseas markets initially depressed the New York opening which triggered off sell stops in gold. Coffee futures closed sharply lower. The December contract traded as low as 168.80c. The decline perpetuated itself by touching off layers of sell stops on the way down. There was also reported a lot of stops on the way down. There was also reported a lot of liquidation along with stop selling with many longs pulling out of their positoins. Funds were also among the sellers and buyers were almost all profit-takers. While was based mostly on

**NEW YORK** Unquoted, † Per 75-lb flask, c Cents pound. \* Cotten outlook, y Nov-Dec. oc. v Dec. x Jan-Feb. z Dec-in. u Nov.

INDICES

REUTERS

DOW JONES

Oct. 29 Oct. 28 Mith 200 Year ag 1594.4 1587.7 1557.0 1718.0

(Base: September 18 1831 = 100)

Dow Oct Oct M'th Year Jones 28 27 ago ago

Spot (191.84 121.64 - 117.51 Fut 121.22 121.37, - 120.18

(Base: December 31 1931 = 100)

MAIN PRICE CHANGES

In tonnes unless otherwise stated.

Copper - 6.5 £925.7:

Osah GradeA £916.5 - 6.5 £925.7:

5 mths 2941.6 - 6.78£946.7:

Gold Troy oz 4405.85 - 6.5 5493

Lead Cash £320.5 - 5276

5 mths 2516.25 + 4 £388

Sales: 6.540 (5.715) lots of 5 tonnes. ICO indicator prices (US cents per pound) for October 28: Comp. daily 1979 163.36 (163.36); 15-day average 161.91 (162.86).

COCOA

- 1617-1518 +5,5 1524-1505 - 1549-1550 +5,5 1568-1558 - 1569-1570 +5,0 1577-1585 - 1689-1590 +4,0 1535-1585 - 1610-1611 +3,5 1817-1886 - 1639-1640 +5,5 1847-1826 - 1664-1668 +4,5 1673-1668 Sales: 2,019 (2,479) lots of 10 tonnes. ICCO indicator prices (US cents per pound). Delly price for October 28: 93.34 (93.13); five-day average for October 30: 93.31 (93.28).

**POTATOES** 

Following some press comment buy-ing interest was rekindled and prices climbed steadily throughout the day, closting just off the highs, reports Coley and Herper.

Yesterday's Previous Business close close done £ per tonne Sales: 528 (706) lots of 40 tonnes.

**GRAINS** 

WHEAT BARLEY 

Business dons—wheet: Nov 108.20.

Business dons—wheet: Nov 108.20.

7.75, Jan 111.40-1.15, Mer 113.95-3.55, May 115.70, July 117.85, Sapt 101.30, Nov untraded. Sales: 208 lots of 100 tonnes. Barley: Nov 109.80-8.75, Jan 12.75-2.20, Mar 14.90-4.45, May .

Sept and Nov untraded. Sales: 124 lots of 100 tonnes.

LONDON GRAINS—Wheat: US derk northern spring no 1 15 per cent Nov 106.25, Dec 106.50. US no 2 soft rad winter Nov 111.50. Dec 14.25. French 112-12 per cent Oct 132.50. English fixed to Nov 112.50/112.76 buyer/sellers. Dec 114.50 sellers. Jan/Mar 16.75/17.00 buyer/sellers. April/June 19.50 sellers east coast. Meize: US no 3 yellow/french transhipmant east coast oct 144.00. Barley: English feed tob Nov 115.00, Dec 16.00, Jan/Mar 117.00/117.50 buyer/sellers English/Scottish. HGCA—Locational sx-farm spot prices (Including co-responsibility lary of £3.373 a tonne): Feed barley: E. Mide 109.20, N. East 111.00, Scottland 107.60. The UK monetary coefficient for the weak beginning Monday November 3 will remain unchanged.

RUBBER

PHYSICALS—The London market opened slightly assier, saw no activity throughout the day and closed idle, reports Lowis and Peat. Closing prices (buyers): Spot 87.00p (same): Dec 68.00p (same): Jun 66.25p (same): The Kuels Lumpur fob prices (Melaynian cents a kilo): RSS No 1 231.5 (231.0) and SMR 20 205.0 (206.0). FUTURES—Index 670. Nov 687-577, Dec 687-577, Jan/March 677-637. April/June 687-697, July/Sapt 689-701. Sales: No.1.

MEAT MEAT COMMISSION—Average stock prices at representative man

GOLD 100 troy oz, \$/troy oz Close 405.3 405.3 407.3 410.7 413.8 417.2 420.8 424.4 428.2 432.4 441.1 SILVER 5,000 tray oz, cents/tray o WORLD **CHICAGO** LIVE CATTLE 40,000 ib, cents/ib LIVE HOGS 30,000 lb, cents/lb

selling was based mostly on lack of chart support some lack of chart support some selling was prompted by trade reports of a larger than ex-MAIZE 5,000 bu min, cems/56-lb bushel PORK BELLIES 38,000 lb. cents/fb 59.85 58.20 CRUDE OIL (LIGHT) 42,000 US Dec Jan March 14.38 14.00 14.45 13.90 13.95 13.95 ORANGE JUICE 15,000 lb, cents/lb PLATINUM 50 tray oz. S/tray oz LOW SPOT PRICES—Chicago loose lard 16.00 15.00) cents per pound. Handy and Harman eliver bullion 558.0 (567.0) cents per troy ounce.

OIL Spot cruda prices fell on bearlsh sentiment fuelled by Nymax WTI trading below \$14. December WTI opened 7c up on Nymax but traded 35c down by 1.30 pm EST. In the petroleum products market gas/oil and fuel oil remained stable until lunchtime when prices extended Tuesdey's fall on continued good prompt supply but little buying interest. Gasoline and nephtha fell on good svallebility and lack of buyers—Petroleum Argus, London.

GB—Catris 91.14p per kg iw (-1.30). GB—Shaep 140.83p per kg est dcw (+11.38). GB—Pigs 79.51p per kg iw (+0.19). GB—AAPP 93.23p per kg iw. FUTURES—Live cattle: Oct 94.90, sales 24. Pigs: Nov 103.20, sales 15. Pigmeat: Nov 12.30, Feb 102.00, sales

High

13.80 13.80 13.85

Close 116.00 117.65 117.70 117.85 117.85 118.45 119.05 119.25

**SUGAR** 

LONDON DAILY PRICE—Raw sugar \$142.00 (\$100.50), down \$3.00 (down \$2.00) a tonne for November-December delivery. White sugar \$180.50, down

Sales: 2,883 (1,533) fors of 60 tonnes.
Tate and Lyle delivery price for granulated basis sugar was 2203.50 (2508.00) a tonne for export.
International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports). Prices for October 28: Delly price 5.81 (5.72); 15-day sverage 5.52 (5.45).
PARIS—(FFr per tonne): Dec 1205/1210, Mar 1246/1250, May 1284/1294, Aug 1321/1328, Oct 1357/1365, Dec 1356/1405. FREIGHT FUTURES

Long liquidation depresed the mar-ket for most of the day but towards the close buyers were found squering positions, reports Clarkson Wolff.

| Close | High/Low | Prev. Dry Cargo 784/786 787/740 787/789 704/706 800/805 800/812 900/840 810/820 786.5 - 782/785 741/785 746/747 789/786 794/795 710/705 710/716 807/816 \_ Turnover: 261 (196). | Close |High/Low| Prev. 791/790

PRODUCTS—North West Europe Prompt delivery cif (§ per tonne) GAS OIL FUTURES US S 107,75 113,00 117,00 120,00 117,50 Turnover: 3,652 (5,090) lots of 100

CRUDE OIL--FOB (§ per barrel)-

WARKET

don r

**HEAVY FUEL OIL** rest rdy's + or close -65.00-64.00 67.00 Turnover: 37 (25) lots of 100 tonnes LEADED GASOLINE

# Imperial Centre for Environmental Technology (known as the Beddington report) and by Argentina's National Institute of Maritime Investigation (Inidep) this year agreed that South Atlantic. South Atlantic. Yesterday's agreement, however, is unlikely to lead to any major improvements in stocks in the short-term. The comparison of the short-term of the

THE WORLD COTTON MARKET

a total catch values at over 205,000 tonnes, the existing le and Bulgarian for the FAO by Britain's South Atlantic.

zawiets,

# Output cuts boost confidence

THE RAYS of light which have mittee says world consumption

wards liquidating the cotton surplus, and there is room for greater optimism for the future," says the Washington-based inter-governmental study group. Prices on the New York futures market and in physical

roughly 76m bales.

The committee also predicts

As a result, the ICAC expects

shone recently into the otherwise gloomy world cotton market are underlined this month in the latest report from the International Cotton Advisory Committee.

"Progress is being made towards liquidating the cotton wards liquidating the cotton to the cotton the cotton and the cotton wards liquidating the cotton wards liquidating the cotton to the cotton to the cotton world cotton stocks to have declined by 3.75m bales to about the being an all-time high of the current season next summer. The bulk of the drop is expected to take place in the US, where consumption is particularly strong.

trade have risen significantly planted area, principally in the since they touched historic lows US, where there is a high degree

during the summer.

Explaining the improvement in sentiment, the ICAC cites:

Buoyant demand. The comsome decline in yields.

Swhere there is a light degree to the first say and in the Governs some rebuilding of stocks in importing countries, as well as to a general improvement in demand.

The committee also predicts that international trade in cotton output is now forecast at 72.5m bales in 1986-87, about 6m less than in 1985-86. This is mainly due to a reduction in planted area, principally in the US, where there is a high degree of participation in the Government of participation in the Government of participation in the Government of participation in the Far East and to importing countries, as well as general improvement in

Israeli losses climb to \$20m

BY JUDITH MALTZ

Preliminary results for the 1985-86 season, due to end this month, also show a decline of a quarter in Israeli cotton exports which account for 90 per cent of total production, to \$90m, Cotton, once the crowning glory of Israeli agriculture, has traditionally been respon-sible for 30 per cent of the country's farm export earnings. Mr Joseph Dioomy, General Manager of the Cotton Production and Marketing Board, attributes these developments slumping world cotton prices sewage water which has no and a serious water shortage at home. This shortage resulted in a Government imposed 15 per cent cut in water will have to adapt itself to perquotas this year, forcing cotton growers, the country's heaviest water consumers to reduce

academics and environmen-talists who contend that the 30year-old cotton industry is no longer viable, given its low added value and its heavy

water consumption. They argue that the country's annual water shortage, estimated at 200m cubic metres, could be solved at a stroke, simply by halting cotton grow-

Mr Dloomy rejects this argument, pointing out that some 60 per cent of the water used Israeli agriculture as a whole sistent water shortages, by relying more and more on the few crops like cotton which can be

ISRAELI COTTON farmers debate, pitting the country's receive significantly higher gov-face a precarious future after cotton-growers — organised ernment subsidies than they do, suffering unprecedented losses through collective farms — making it increasingly difficult this year, amounting to about against an outspoken group of for them to compete in the \$20m. this year, however, the govern ment did grant the cotton growers a lump sum of C\$17m as part of a broader package deal designed to bail out the country's ailing industries.

In spite of the industry's current headaches Israel boasts the highest crop yields in the world, both in terms of output per acre and output per cubic metre of water.

Cotton was first grown experimentally in Israel in 1956, defying the intense opposition of many farmers and scientists who considered the crop unsuited to the country's arid climates.

Since then, it has become Israel's number-one field crop. Exports, which only reached significant proportions in the their acreage by a drastic 30 grown safely wih sewage water.

per cent.

Israeli cotton growers have

The water shortage has sparked an even more heated sparked sparked an even more heated sparked sparked an even more heated sparked s

#### India seeks stable **overseas** sales

By R. C. Murthy in Bombay

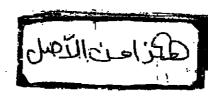
INDIA PLANS to export 600,000 bales of cotton in each of the next three years beginning with 1986-87 under a long-term export policy announced by the Indian Government.

This is the first time the Government has committed itself to such a policy to establish a stable overseas market for Indian cotton. India has a bumper crop of

cotton for the second year in succession with estimated production of 10.2m bales in the cotton year to August 1987. The total availability is placed at 13.18m bales, including a carryover stock from the last season of 2.98m bales, the largest ever. Cotton offtake by textile mills has been stagnant at around 9.5m bales a year. Even if textile production rises, there may not be a surge in demand for cotton because of a shift in correction.

because of a shift in consump-tion towards polyester and viscose blends. This year's export quota is split into two instalments, the first, of 250,000 bales, is comprised of 200,000 bales of medium, long and extra-long staple cotton and 50,000 bales of Bengal deshi, used mainly in mattresses. The quota is allocated among several gov-ernment-owned agencies, ernment-owned agencies, growers' co-operatives and the

Exporters were expecting a quota of 1m bales this year. Domestic prices have dropped nearly 20 per cent this year so far for superior varieties and growers' organisations have been clamouring for an export quota of up to 3m bales to relieve the glut and stem the decline in prices.



### **CURRENCIES, MONEY & CAPITAL MARKETS**

### FOREIGN EXCHANGES Trade figures unnerve dollar

points to \$1.4110.\$1.4120, and declined to DM 2,8650 from DM 2,875; to FFr 9,35 from FFr 9,4125; to FFr 2,3625 from SFr 2,3750; and to

D-MARK—Trading range against the dellar in 1986 is 2.4710 to 1.9748. September average 2.9486.

Y226.50 from Y226.75.

THE DOLLAR weakened ahead of . Indonesian energy minister said today's US trade figures for Septempoorer Opec members are likely to DM 28880 from DM 28880 at the her. Forecasts for the deficit vary between about \$130n and \$160n. a permanent system to be discussed yesterday's easing of the dollar in December. The pound fell 45 reflected speculation that the short points to \$1.4110.\$1.4120, and to Tuesday.

fall would be towards the top end of this scale. This followed the near 28775; to FFF 9.35 from FFF 9.425; part to \$1.72.3825 from FFF 9.425; and to \$1.72.3825 from FFF 9.425; record trade surplus of DM 10.4bn for September reported by West Germany earlier this week, suggesting that the decline of the dollar this week has not here translated. Germany earlier this week, suggesting that the decline of the dollar in 1866 is 2.4710 to the dollar shances. Although the US currency lost ground, it finished near the top of the day's range at DM 20230, compared with DM 20330. FFr 6.6250, against FFr 6.6475; and SFr 1.6765. The general reluctance of dealers to commit themselves ahead of the trade figures was reflected in a rise to Y160.45 from Y160.10 against the yen.

On Bank of England figures the dollar's index was unchanged at III.2.

STEELING—Trading range against the dollar's index was unchanged at III.2.

STEELING—Trading range against the dollar was unchanged at 1112.

Steptember average 1.4711. Exchange rate index was unchanged at 1.5356. September average 1.4711. Exchange rate index was unchanged to the dollar, and also on the recent decline in oil prices. Concern that any sharp deterioration in the US trade figures might drag the pound down with the dollar, and also on the recent decline in oil prices. Concern that Opec was untikely to achieve its aim of raising

oil prices. Concern that Opec was unlikely to achieve its aim of raising

£ IN NEW YORK						
Oct 29	Latest	Previous Close				
£ Spet 1 month 3 months 12 months	1.4105-1.4115 0.56-0.53 pm 1.80-1.75 pm 6.35-6.25 pm	1.4155-1.4165 0.56-0.54 pm 1.78-1.75 pm 6.31-6.23 pm				
Forward premiums and discounts apply to the						

STERLING INDEX

8.30 9.00 10.00 11.00 Noon 1.00 2.00 3.00 4.00	ampmpmpm	67.9 67.8 67.8 67.8 67.8 67.8 67.8 67.8	67.7 67.8 67.9 67.9 68.0 67.9 67.8

**CURRENCY RATES** 

0at. 29	Base. rate	Special Drawing Rights	Carrenty Unit
Sterling	1	0.849144	0.725848
U.S. Dollar	55	1.20069	2.02776
	8.58		1.42705
Austrian Sch	4 1	17.1254	14.5795
Belgian Franc	8 1	50.5521	43,3048
Danish Kroner	7	9.15946	7.84697
Deutsche Mark	332	2,43440	208533
Mech Guilder,	442	2.75198	235718
French France	95	N/A	6.80253
fizikan Lint	12	N/A	1940.92
" phasese A to ""	3/2	191.510	164,802
Herway Krose	8 ]	8.90912	7.43474
Spenish Peseta		163.000	139,724
Swedish Krona	2.5	833399	7,4501
Swiss Franc	. 4	2.00875 165.275	141,149
Greek Drack	20-2	183.213	0.764136
Irish Post	لستيا	AUA	hriberia
a CSRDD rate	for Pri	. 28: 1.66671	١.

CURRENCY MOVEMENTS					
October 29	Bank of England Index	Inforgan Grantanty Changes %			
Sterling U.S. Dollar Canadian Dollar Assirian Schilling Relgian Franc Danish Krone Danish Krone Danish Krone Cantide Franc Guilder Franc Lira Ven	67.8 111.2 77.3 132.8 97.1 89.8 141.8 166.7 130.2 70.6 48.0 208.8	-256 +32 +32 -128 +90 -58 +22 +193 +213 +127 -125 -156 +51			

OTHER CURRENCIES

5 1.5785-1.5890 2.1970-2.2010 19.82-19.95 6.5900-6.5945 110.930-11.0510 11.0930-11.0930 11.0930-11.0930 12.7840-2.7940 5.900-5.3045 5.902-5.3045 5.902-5.3045 5.902-5.3045 5.902-5.3045 5.902-5.3045 5.902-5.3045 5.902-5.3045 5.902-5.3045 5.902-5.3045 5.902-5.3045 5.902-5.3045 5.902-5.3045 5.902-5.3045 5.902-5.3045 5.902-5.3045 5.902-6.9020 5.910-5.950 1.166-1.1200 1.5550-1.5570 1.5550-1.5570 1.402-14.079 4.9450-4.9470 136.39-138.65 7.7975-7.7995 77.80° 0.29280-0.2930 59.45-59.55 1.9705-1.9460 3.7455-3.750 2.1250-2.1250 2.1250-2.1250 2.1250-2.1250 3.5725-3.6735

#### **MONEY MARKETS** London rates show lack of incentive

ner yesternay in rather duter trad-ing. Sterling provided very little impetus, finishing unchanged on the day as currency markets awa-tied today's US trade figures. Three-month interbank money

## UK clearing bank base lending rate 11 per cent since October 15

finished at 114-11% per cent unchanged from Tuesday.

Overnight money finished bid at 10 per cent range. The Bank of England make three registrations to the land and the second second make gave seep in the afternoon of £70m through outright purchases of £70m of eligible bank bills, £40m in band 1 at 10½ per cent. Late assistance 10 per cent range. The Bank of England make three assistance came to £215m, making a total of £375m.

In Frankfirst call money was If per cent after trading in a 10-12 per cent range. The Bank of England made three revisions to the day's forecast, reflecting to some extent the oversubscription of the Treasury's latest film gilt offering. Otherwise trading was rather to relieve the upward pressure dull although sterling's recent stability continued to hold the key since dealers were still a little wary about the authorities ability the third day running. The to avoid another rise in interest rates should sterling show a meet their end of month mini-

renewed decline.

The Bank of England forecast a flat position in the money market with maturing assistance and a take up of Treasury bills together draining £463m and a rise in the note circulation of£105m offset by Exchequer transactions which added £560m and banks' balances brought forward £25m above target. The forecast was revised mum reserve requirements was seen as being only of a temporary nature and there was no porser tion that the Bundesbank may supply longer term relief through sale and repurchase agreements. The shortage of liquidity was further exacerbated by payment of DM10bn due to pension disbursements, adding to the curterly and the shortage of the company of the compan

INTEREST RATES showed little twice during the morning, first to change in the London money market yesterday in rather quiet trad-then to a shortage of £350m. The a shortage of around £250m and then to a shortage of £350m. The Bank gave assistance in the mor-Bank gave assistance in the morning of £90m through outright purchases of eligible bank hills, £1m in band 2 at 10½ per cent and £89m in band 4 at 10½ per cent.

The Bank revised its forecast for the third time before taking into account the early help to a shortage of £400m and gave help in the effection of £70m through out-

rates should sterling show a to meet their end of month mini-renewed decline. mum reserve requirements was

JAPANESE YEN. Trading range against the deliar in 1986 is 242.70 to 152.32. September average 154.67. Exchange rate index 208.8 against 262.2 six meanths ago.

The yen was little changed against the dollar in Tokyo, but the US currency lost ground from the New York close. It finished in Tokyo at Y159.35, compared with Y159.30 on Tuesday, and against

Tokyo at Y159.35, compared with Y159.30 on Tuesday, and against Y160 in New York. Although the dollar had a soft undertone dealers were reluctant to hold large positions ahead of today's US trade figures for September. Suggestions earlier this week that the dollar would soon test Y162.50 have been turned round by a lack the dollar would soon test Y 162.50 have been turned round by a lack of further buying by institutional investors. News that Japan's trade surplus in the first 20 days of October fell to \$4.11bp from \$5.01bn in the same period of September had little impact.

EMS EUROPEAN CURRENCY UNIT RATES

	Eco control rates	amounts against Ecu October 29	from central rate	% cha adjuste tilvers	difor Dia	mit %	
eiglan Franc	43.1139 7,81701 2.11083 6,87316 2.37833 0.764976 1476.95	43,3048 7,84697 2,08533 6,81253 2,35718 0,764136 1440,92	+0.44 +0.38 -1.21 -0.88 -0.89 -0.11 -2.44	+11-44 +12-44 +44 +44 +44 +44 +44 +44 +44 +44 +44	71 ± ± 58 ± ± 56 ± ± 53 ± ±	1.5368 1.6403 1.1127 1.3659 1.5059 1.6683 4.0734	
hanges are for Ecs, therefore positive change denotes a weak currency. Adjustment calculated by mancial Times. POUND SPOT—FORWARD AGAINST THE POUND							
Day Day	y's			%	Taree	<b>1</b> %	

DUND	SPOT-FO	RWARD A	gainst ti	IE PC	UND	
Ozz. 29	Day's spread	Close	Cor sporth	% p.e.	Three months	% pa
	1.41-1.4180			4.55	1.20-1.77 pm	5.06
ada	1,9582-1,9682			2.08	1.32-1.20 pm	257
berlands .,	3234-3242	3.234-3.242	175-1745 pm		43 <sub>2</sub> -43 <sub>2</sub> pm	5.56
أــــــ كانالو	59.42. <del>5</del> 9.61	59.A5-59.55	19-14c pm		60-52 pm	3.76
	10.7612-10.8014	10.764-10.774	1-4000 000	0.70	32-24 (4)	1.18
and	1,0484-1,0535	1.0515-1.0525	0.30-0.65p dis	-542	0.65-1.25 ds	-3.61
Germany .	286-2874	2.86-2.87	14-14of on	5.76	45 <sub>6</sub> 43 <sub>6</sub> pm	6.28
ــــــ أحود	209.75-211.20	209,75-210,60			196-344 dis	-5.14
اسمسا فا	191.90-192.60	191,90-192,17	14-53c ds		39-106 dis	151
/	19761-19851	19774-19784	2 pm-1fire dis	-0.91	3-par pan	-0.30
-	10.455-10.512	10.46-10.47	3-31 <sub>2</sub> are dis	-3.73	94-94-06	-3.66
4CE	9,34-9,39	9.3412-9.3512	24-24c pm		77g-77g pm	3.21
dea	9.8012-9.8412	9.802-9.813	17-112 ore pm	1 1	64-55 pm	2.42
ea	226-227	726-727	14-ly pre	5.96	35-33 <sub>2</sub> pm	618
rfs	20.13-20.20	20.13-20.16	85-74 gro pm		271-247 pm	5.20
czertand	2.36-2.37	2.35%-2.36%	14-Dec on	6.35	4 <sup>1</sup> e-3 <sup>7</sup> s per	6.77

the francs. Financial franc 59.85-59.95.

Oct. 29	Day's spread	Close	One mouth	% pa.	Three annths	% 52
UKT	141-14080	1.4110-1.4120	0.55-0.52 pm	4.55	1.89-1.77	506
related	1.3423-1.3507	1.3430-1.3440	0.90-0.70c om	7,13	2.80-2.50 pps	7.57
Canada	1.3876-1.3688	1,3880-1,3890	0.27-0.30c dis	-246	0.85-0.90 ds	-252
Netberlands .	2.2800-2.2970	2.2930-2.2940	0.08-0.06c pm	0.37	0.29-0.26 pm	0.48
ــــــ جماواج	42.05-42.20	42.10-42.20	3-5 co2s .	-114	12-16-05	1.33
Demourk	7.6D <sub>2</sub> -7.64 <sub>2</sub>	7.63-7.6312	1.70-2.20ore ds	-3.07	5.50-6.00ds	-5.01
W. Germany .	20225-20300	2.0285-2.0295	0.23-0.20pf pet	1.27	0.69-0.64pms	131
Portugal	2483-2494	148%-149	100-140c dis	-9.67	325-425 ds	-10.07
Spain	135.50-136.10	135.90-136.00	68-83c dis	-6.67	205-230-83	-640
taby	1398-140372	14001-14001	412-512 lite dis	-128	16-171 <sub>2</sub> dis	-4.78
lorety	7.401-7.43	7.433-7.413	4.85-5.15are dis	-8.08	15.65-15-95	-8.51
reace	6617-663	6624-6624	0.75-0.90c dis	-L49	300-3306s	-1.90
weden	6.93-6.95%	6.9Fb-6.93%	1.35-1.55ore 68	-2.50	4.40-4.70ds	-262
	159.30-160.85	160.40 160.50	0.39 0.36v pm		0.45-0.40 nm	-1.06
ــــــ فأداوما	74.25-14.28%	14.275-14.28	7-4 000 000	. 0.44	Personal State	0.28
Seltzerland	14680-146750	1,6740 1,6750	0.29 0.26 pm	1.97	0.78-0.73 per	1.80

Oct. 29	Short	7 Days'	Que Month	Three Months	Six Months	One Year
Sterilles	10'-10'2	104-10h	107-11	112-114	112-114	112-112
1.S. Dollar	511.5姓	5%-6	5%-6	513-63	512-67	64-64
E. Dollar	74c-84	74-84	84.87	8.8	85,8%	89.42
). Garilder	53e-55e	54-54	52-52	54-54	52-53	52-52
W. Fr280	واجوا	84-82	84-842	32-41	444	444
eutschmark	42-412	42-45	472-452	42-48	45-46	4849
7. Franc	74.74	714-73	7-7	73-73	8-84	8-84
Ure	9-11	912-1012	104-104	10 - 11	105-11	102-10%
Fr. (Fla.)	7-7-	7-74	74-73	78-72	7-2-7-2	73-74
Fr. (Coa.)	7-71-2	7-7	72-74	74-74	7.7	74.74
es	46-46	48-48	45-41	47-48	4번-4반	44-412
Krone	94,94	97, 97,	9-10	94-104	91-10	19-107
cine 5 (Sing.) .	512-62	512-6A	50-63	511-64	5H-64	64-62

Oct 29	£		DM	YEN	F Fr.	S Fr.	H FL	عطيا	C S	B Fr
£	0.708	1.412 1	2.865 2.030	225.5 160.5	9.350 6.624	2363 1674	3.238 2.294	1979 1402	1.960 1.389	59.5( 42.1)
DM YEN	0.349	0.493	1	79.06	3.264	0.825	1.130	1905	0.684	20.7
	4.425	6.232	12.55	1000	41.28	10.43	14.29	8734	8.653	262
F Fr.	1.070	1.510	3.064	242.2	10	2 <i>523</i>	3.463	2116	2.0%	63.6
S Fr.	0.423	0.597	1.213	95.87	3.956	1	1.370	837.4	0.830	25.19
H FL	0.309	0.436	0.885	69.96	2,886.	0.730	1	611	0.605	18.3
Ura	0.505	0.714	1.448	114.5	4,726		1637	1000	0.991	30.0
C S	0.510	0.720	1.462	135.6	4.770	1.205	1.652	1009.	1	50.30
B Fr.		2.372	4.815	360.7	15.71	3.971	5.441	3325.	3.294	100

### Close High Low 94.03 94.03 94.03 94.03 94.03 94.99 93.99 93.99 93.99 93.50 93.46 93.50 93.50 93.46 93.13 93.09 92.73 — 92.35 — 91.98 — 191.98 — 191.98 191.55,756 (25,925) BS 87% Dec. 96.10 96.13 95.15 March 95.13 94.20 94.13 June 94.13 Estinated Volume 3.996 (3.990) Previous day's open int. 5,862 (5,825) CURRENCY FUTURES OUND-S (FOREIGN EXCHANGE Spot 1-mth. 3-mth. 6-mth. 12-mth. L4115 1.4062 1.3937 1.3768 1.3485 MIN-STERLING St per E Latest High Low Prev 14040 14065 14030 14070 13865 13895 13855 13895 — 13700 13735 LIFFE—STERLING £25,860 \$ per £ Close High Low 1,4050 1,4060 1,4050 1,3878 — — 1.3718 — — ted volume 16 (9) as day's open int 1,333 (1,338) **NEW YORK**

Siz Mosths . Oct. 29 455-465 77-77-72 4-47-5 57-51-4 111-1 73-14 4.75 5.00 7 7 140 2.150 50 250 4.34375 1011 7.50 124 130 4.50-4.60 73-7.64 5)<sub>2</sub>5& FT LONDON INTERBANK FIXING

(11.00 a.m. Oct. 29) 3 months U.S. dollars 6 months U.S. dollars bid 5 tt Offer 6 & bld 5 전 I Offer 6 & The Sixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and officered rates for \$10m quoted by the market to five reference basis at \$1,00 a.m. each working day. The basis are National Westminster Basis, Basis of Yokyo, Destache Sants, Banque Nationale de

0a. 29	()ver- night	7 days notice	Worth	Taree Months	Six Months	One Year
nterbank	12-10	100-104	11-10%	114-114	114-114	112-114
sterling CDs	-		11-1012	117-117	177-105	11-10%
ocal Authority Deposits	104-94	107-10	1011-107	n n	117-11	112-114
ocal Asthority Bonds			ייינו	112	Tild .	114
Xiscount Market Desostis	8-10%	104	101	101		
Ompeter Deposits	107-10	107-10	117.105	117-107-	114-10%	11/-10%
Figure House Deposits		m-2m4	775704	112	117	114
reasony 849s (Buy)			103	44,6		
LENGTH COOL!			10%	104		_
basik Billis (Bay)			1018-1012	108	1031-103	_
ine Trade Bills (Beer)			DB.	1116	ns i	_
odlar CDs	' '		5.95-5.90	5.95-5.90	5.95-6.90	6.05-6.00
iDR Linked Deposits	- 1	. =	646	67.64	63-62	62-64
CU Listed Decosits			25.0		78-77	72.73
			717-77-	72.72	76-74	1777

Treastry Bills (sell); one-month 10% per cent; firee-months 10% per cent; Bank Bills (sell); one-month 10%-10% per cent; three months 10% per cent; Treasury Bills Average tender rate of discount 10.6968 p.c. EGGD Flord Fireace Scheme IV reference date September 3 to October 7 (Inclusive): 10.335 per cent. Local Authority and Finance Houses Seven days motion, others seven days fixed. Finance Houses Base Rate 20 per cent from October 1, 1986: Bank Deposit Rates for some sayem days motion 4.33-4.375 per cent, Certificates of Tax Deposit (Series 6): Deposit 5.100,000 and over heed under one month 10% per cent; one-three months 11% per cent; three sit months 11% per cent; six-sine months 10% per cent; six-sine finance for six six-sine months 10% per cent; six-sine finance finance for six six-sine months 10% per cent; six-sine finance finance for six-six-six six-six six

### FINANCIAL FUTURES US bond prices recover

Exchange yesterday, Values were marked down at the start following a marked down at the start following a poor reception to Tuesday's seven year note auction. In addition there was apprehension ahead of next week's US Congressional elections and details of the US Treastry's refunding package, due for release after the close of business in London.

From an opening level of \$5.24.

From an opening level of 95-24, which was down from Tuesday's close of 96-06, the December contract traded near to 95-18 for much of the morning and touchd a low of 95-16 just before the start of trading in Chicago. It held trade for a while in Chicago. It held steady for a while and then renewed buying developed on speculation that the Japanese discount rate may be cut in the pear future. This was sufficient to lift

LIPPE LONG BILT FUTURES OFFICES

opened at 9401 compared with Tuesday's close of 9403 and sellers briefly gained the upper hand, pushing the price to a low of 93.98. However buyers soon appeared and the price was kept around 9400 for the price was kept around 94.00 for much of the day before closing at 94.03.

Long gilts for December delivery opened at 109-28 down from 110-00 amid confusion ahead of the UK Treasury gilt auction. Prices eased to 109-22 before renewed buying pushed values back to 110-04. News that the auction had been oversubscribed encouraged selling down to 109-22 before coming back to 110-00. Durbefore coming back to 110-00. During the afternoon a low of 109-10 was touched before recovering a

-Last Jan. 1.07 2.98 6.19 10.41

430 7.65 1.55 6.05

CHECAGO

Mar. 2.70 5.04 8.26 12.21 16.65 21.39

0ec. 0.38 1.87 5.10 9.59 14.51 19.50 24.50

Pets-0et. 2.00 5.00 9.45 4.25 19.25

Nov. — 0.85 3.95 8.95 3.95 8.95

Mar. Hos. 6.48 0.05 3.82 0.78 2.04 4.10 0.99 13.94 0.17 18.94

Carp.-Last
Drc. Jan. Har.
10.85 0.85 0.85
15.95 6.05 6.35
2.25 2.85 13.30
0.60 0.90 1.80

LONDON

20-YEAR 12% MOTIONAL EILT 550 900 32nds of 100%

P% NOTHORAL SHORT GILT 198,090 64ths of 190%

Dec 95-56 96-08 95-4 Astrolo 95-58 1st Volume 420 (310) Trevious day's open let, 979 (954)

Close High Low 88.60 88.70 88.57 ct 89.95 99.11 89.05 89.17 89.57 ct 89.97 89.44 89.35 89.13 89.13 89.13 89.13 89.13 89.10 ct 89.97

impted volume 364 (\$13) vices tay's open lut, 2,909 (2,869) NREE-MONTH EURODOLLAR Las points of 190%

Close Righ Low Prev. 160.70 160.90 160.00 159.15 163.70 — 162.15

94.03 93.97 93.78 93.48 93.10 92.70

8.14 6.44 5.20 4.08 3.08 2.20 1.42 1.10

Strike Price 93.00 93.25 93.75 94.00 94.25 94.50

Low 95-24 94-27 93-26 92-28 91-30 91-06 90-26

Pres. 96-07 95-10 94-10 93-11 92-15 91-21 90-29

High %-53 %-28 %-28 %-29 %-31 %-05 91-12

U.S. TREASURY BILLS (1994) Sin points of 100%

Dec. 1.05 0.78 0.54 0.32 0.14 0.05 0.01

US TREASURY bond futures closed values to the day's high of 98-13 little to close at 109-14. The slightly up on the day in the London before closing at 98.10. volatility reflected market nerves interational Financial Futures Three-month Euro-dollar deposits with dealers showing some concern about the possibilities of marked down at the start following a Tuesday's close of 94.03 and sellers indigestion after the entire film of stock on offer had been allocated. There was also intense interest as to where the stock had been allocated.

Three-month sterling deposits for December delivery opened at 88.70, little changed from the previous close of 88.68. The opening level proved to be the day's high and prices were marked down to trade around 88.66 for the first few hours. It touched a low of 88.62 before coming back to 88.66. However a firmer cash market in the afternoon as the Bank of Eng-land revised its forecast three times encouraged selling down to

Nov. 0.20 0.75 4.00 8.70 13.70

Dec. 0.50 1.80 5.00 9.50 13.70 18.70

Jame 0.12 0.17 0.25 0.47 0.62 0.80

Mar. 7.25 4.00 2.05 1.00 0.50 0.50

CERT. DEPOSIT (HAM) \$3m points of 100%

High 94.05 94.02 93.83 93.52 93.14

High 239,80 240,50 241,30

LOW 94.05 93.99 93.76 93.46 93.08

Jan. 7.00 3.35 1.35

LIFER IN TREASURY ROOM FUTURES OPTIONS LIFER FT.SE ION HIDEX FUTURES OPTIONS

Calls-Dec. 6.90 2.75 0.80 0.20 0.20 0.20

0.50 0.28 0.28 0.17 June 0.93 0.73 0.56 0.41 0.26 0.15 0.11

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Nar. 2.40 4.65 7.75 11.80 16.30 21.10 20.20



#### DOME PETROLEUM LIMITED

Notice to the Holders of the **Outstanding Principal Amounts of** 

U.S. \$75,000,000

U.S. \$3,130,000

Floating Rate Notes due 1988

U.S. \$50,000,000

161/1% Fixed Rate Notes due 1989

U.S. \$50,000,000 Floating Rate Notes due 1989

10% Debentures Due 1994

U.S. \$50,000,000 131/2% Debentures Due 1992

At meetings of the holders (the "Holders") of the outstanding principal amounts of the U.S. \$75,000,000 Floating Rate Notes due 1988, the U.S. \$3,130,000 16%% Fixed Rate Notes due 1989, the U.S. \$50,000,000 Floating Rate Notes due 1989, the U.S. \$50,000,000 Floating Rate Notes due 1989, the U.S. \$50,000,000 13½% Debentures Due 1994 and the U.S. \$50,000,000 13½% Debentures Due 1992 (the "Notes and Debentures") of Dome Petroleum Limited (the "Company"), the extraordinary resolutions (the "Extraordinary Resolutions") detailed in the notices of meetings which appeared in the Financial Times and the Luxemburger Wort on 2nd September, 1986 were duly passed. In addition, all of the other conditions precedent to the effectiveness of the Second Supplemental Trust Deeds and Indentures contemplated by the Extraordinary Resolutions have been satisfied. The Company will make special payments to Holders of all interest which has accrued on the Notes and Debentures to and including 31st October, 1985. The following meanerties narments will be made upon presentation to the respective Paying Apents of the

1986. The following respective payments will be made upon presentation to the respective Paying Agents of the following Coupons:

> U.S. \$75,000,000 Coupon No. F11 Floating Rate Notes due 1988 (due April, 1987) Special Interest Payment of U.S. \$39.13 per U.S. \$10,000 principal amount U.S. \$3,130,000

> Coupon No. F4 161/1% Fixed Rate Notes due 1989 Special Interest Payment of U.S. \$101.11 per U.S. \$1,000 principal amount Coupon No. F10 Floating Rate Notes due 1989 (due March, 198 Special Interest Payment of U.S. \$67.95 per U.S. \$10,000 principal amount

> U.S. \$50,000,000 Coupon No. F8 10% Debentures Due 1994 Special Interest Payment of U.S. \$29.72 per U.S. \$1,000 principal amount (due July 15, 1987)

> Coupon No. F7 131/2% Debentures Due 1992 (due May 1, 1987) Special Interest Payment of U.S. \$67.88 per U.S. \$1,000 principal amount

The above Coupons will be stamped to indicate that a partial payment of interest has been made. Coupons will then be returned to the presentor together with the special interest payment. These Coupons should be retained as they represent evidence of your entitlement to interest accrued after 31st October, 1986 to the date provided for in those

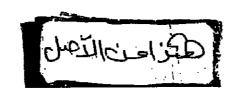
The above Coupons may be presented for payment on or after 31st October, 1986 at the following offices of the respective Paying Agents:

U.S. \$75,000,000 Floating Rate Notes due 1968 - Société Générale Alsacienne de Banque (Luxembourg), 15 Avenue Emile-Reuter, Luxembourg (Grand-Duchy), as principal Paying Agent; European American Bank and Trust Company (New York), 10 Hanover Square, New York, New York 10005, U.S.A.; Kuwait Investment Company (S.A.K.) (Kuwait), Mubarak al-Kabir Street, Kuwait Chy, PO Box 1005 Safat, 13011 Safat Kuwait; Morgan Guaranty Trust Company of New York (Brussels), 35 Avenue des Arts, 1040 Brussels, Belgium; Société Générale (Paris), International Finance Department, 3 Rue Lafayette, 75009 Paris, France; Société Générale (London), 60 Gracechurch Street, London EC3V 0HD, England.

U.S. \$3,130,000 161/1/6 Fixed Rate Notes due 1989 and U.S. \$50,000,000 Floating Rate Notes due 1989 — Société Générale Alsacierne de Banque (Luxambourg), 15 Avenue Emile-Reuter, Luxambourg (Grand-Duchy), as principal Paying Agent; Banque Générale du Luxambourg S.A. (Luxambourg), 14 Rue Aldringen, Luxambourg (Grand-Duchy); European American Bank and Trust Company (New York), 10 Hanover Square, New York, New York 10005, U.S.A.; Morgan Guaranty Trust Company of New York (Brussels), 35 Avenue des Arts, 1040 Brussels, Belgium; Société Générale (Paris), International Finance Department, 3 Rue Lafayette, 75009 Paris, France; Société Générale (London), 60 Gracechurch Street, London EC3V 0HD, England.

U.S. \$50,000,000 10% Debentures Due 1994 and U.S. \$50,000,000 13%% Debentures Due 1992 - Canadian Imperial Bank of U.S. 350,000,000 10% Depending Due 1992 — Canadian Imperial Bank of Commerce (Toronto), Main Branch, Commerce Court, Toronto, Canada M51. 169 as principal Paying Agent; Canadian Imperial Bank of Commerce (London), 55 Bishopsgate, London EC2N 3NN, England, Banque Générale du Luxembourg S.A. (Luxembourg), 14 Rus Aldringen, Luxembourg (Grand-Duchy); Deutsche Bank Aldiengesellschaft (Frankfurt), Taunusanlage 12, D-6000 Frankfurt am Main 1, West Germany; Morgan Guaranty Trust Company of New York (New York), 30 West Broadway, New York, New York 10015, U.S.A.; Morgan Guaranty Trust Company of New York (Brussels). 35 Avenue des Arts, 1040 Brussels, Belgium; Swiss Bank Corporation (Zurich), 6 Paradelplatz, 8022, Zurich, Switzerland.

Dome Petroleum Limited Dated 30th October, 1986



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756 +10 0335c \$ 55
160 +5 035c 05 13 29
671 7025c 30 12.7
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440 +19 0390d \$ 12.8 550/<sub>25</sub>+1 501 +9 634 +10 715 +10 545 +5 715 +15 10810d 1.0 5.0 1055d 5.1 3.4 0200d # 19.1 0135d 2.5 5.9 0104d # 5.9 0135d 1.6 6.0 | Central African | 210 | 155 | Falcon 250c | 170ml | 5 | 170ml | 5 | 170ml | 5 | 16 | 10 | 170ml | 5 | NEWSPARS | PUBLISHES | PUBLI Ties

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1	Figure	F LEISURE -Z +2 "Recent Issues" and "Rights" Page 39		
(International Edition Page 29)
This service is analysic to every Company dealt in an Stack Exchanges throughout the United Kingdom for a fee of £875 per assum to each security.

# Option \*First Declara- Last Account Dealings tions Dealings Day Oct 11 Oct 23 Oct 24 Nev 3 Oct 27 Nev 6 Nov 7 Nov 17

The UK securities markets continued their voyage into the new trading era yesterday, to the accompaniment of another brief uspension of the Exchange's Topic electronic reporting system, and some difficulties in up dating price

quotations on the SEAQ network However, trading in both equities and gilt-edged was satisfactory, from the market's standpoint. Share prices moved higher, helped by the forcast of a 1 per cent rise in UK manufacturing output from the Confederation of British Industry. The Government bond sector was encouraged initially when the new f.lbn Treasury tap stock was over-subscribed, but prices shaded later as the market faced the problem of ssing on the stock to retail customers. Long-dated issues ended with

At the close, the FT-SE 100 Index was 134 up at 1597.0, and the FT Ordinary Index showed a gain of 11.6 at 1267.2. The FT Government Secur-tics. Index, however, shad 0.60 to ies Index, however, shed 0.60 to

On the trading floor, morale remained low, as dealers saw more securities business moving away from the floor to the offices of the major firms. However, the private investor market is still serviced by Smith New Court, which makes Smith New Court, which makes prices in large share lots, on the market floor. Small selling of Trustee Savings Bank continued.

There were constant rumours. which lacked any confirmation, that some other major trading firms planned to move off the trading floor altogether in the

near future.
S. C. Warburg (Mercury International), one of the new marketmakers, announced just after the market opening that it was unable to update quotations

on their trading results, while Tesco, the food supermarket firm, turned lower after their profits statement. Imperial Chemical Industries, with quarterly figures due today, edged higher in quiet

Glaxo moved up sharply after the recent sellers from the US turned into buyers. Helping the

# Many good equity features but Gilts turn down despite

mined play for the global secur-

FNFC up again
A quietly firm banking sector
was featured by renewed strength in perennial takeover favourite First National Finance Corporation

on speculative buying. The clear-ers, meanwhile, made modest prog-ress in moderate trading. Barclays put on 5 at 479p, after 483p, while Lloyds firmed a few pence at 412p, Leading Breweries made fresh progress across the board. Bass, 718p, and Whitbread "A," 270p,

improved 9 and 6 respectively, while Allied-Lyons put on 4 more to 310p as 1.8m shares changed hands A lively business also developed in Guinness which rose 5 to 324p with 1.9m shares traded following publicity given to a broker's bull-ish circular. Regionals were also wanted, albeit on a much smaller scale, amid revived takeover scale, amin revived takeover speculation. Foremost on this front was Lianelli-based Buckleys which improved 6 to 126½p with Mr Tony Cole's Bestwood believed to be buyers. Burtoawood, still buoyed by persistent chatter of a property revaluation advanced 21 for a twoday gain of 53 to 673p. Business in the Building sector

Business in the Building sector expaded with construction issues displaying several good gains. Costain revived strongly and closed 11 higher at 475p, while Taylor Woodrowlirmed 8 to 290p. George Wimpey continued to move ahead in the wake of a broker's lunch at gained 7 mora to 185s. unch ad gained 7 more to 185p, while Barratt Developments, after a meeting wih broker's Cazenove, a meeting win broker's Cazenove, touched 151p prior to closing a peny dearer at 149p. Tarmac edged up 4 to 423p and John Mow-lem rose 12 afresh to 361p on submarketmakers, announced just after the market opening that it was unable to update quotations on its food and stores securities service.

However, a brisk trade was maintained across the range of the market, with company results and speculative factors providing many features.

Reed International rose sharply on their trading results, while

**SEARS EASIER** 

Anohr good business was transacted in Sears 5.3m shares chaged hands—which have been considerably enlivened of late by rumours of a Gerald Ronson-led consortium the recent sellers from the US of a Gerald Ronson-led consortium turned into buyers. Helping the price was a recommendation from Nomura International, which said Glaxo was "cheap and should be bought."

Another beneficiary from US buying was Reuter, the electronic market data group which jumped 18 to 534p. The members of the International Securities Regulatory Organisation (Isro), who voted yesterday to merge with the UK Stock Exchange, are known to be strong supporters of the Reuter reporting system. Reuter, through last week's bid for Instinct is believed to be making a detersell-out of new Government stock

											a fraction cheaper at 72½p follow-
		INAN	CIAL	TIME	S ST	DCK I	NDICE	S			ing details of its latest acquisi- tion; the company has agreed con-
	Oct.	Oct	Oct.	Oct	Det.	year	19	86	Since Co	mpilation	ditionally to acquire consultant surveyors Lambert Smith & Part-
	· 29	28	27	24	23	990	High	Low	High	l,ow	ners for an initial consideration of
Government Sets	82.34	82.94	82_37	82.53	82.30	84.04	94.51 (18/4)	80.39 (20/1)	127.4	49.18 (30.75)	£6.5m. Abaco intends to combine its previously acquired chartered
Fixed loterest	88.87	88.86	88.76	88.81	<b>88.75</b>	89.59	97.68 (7/7)	86.55 (23/1)	105.4 (28/11/47)	50.53 (3/1/75)	surveyors Anthony Brown Stuart with Lambert Smith to create a
Ordinary 🕈	1,267.2	1,255.6	1,257.8	1,251.6	1,249.9	1,067.3	1,425.9 (3/4)	1,094.3 (14/1)	1,425.9 (3/4/86)	49.A (26/6/40)	commercial estate agency and surveying business. Southead Sta-
Gold Mines	285.9	277.7	269.6	262.9	277.2	246.6	357.8 (22/9)	185.7 (187)	734.7 (15/2/83)	43.5 (26/10/71)	dium hardened a few pence to 211p following the interim results,
Ord. Div. Yield	4,42	4.46	4.45	4.46	4.46	4.51		S.E. AC	YTIVITY		while Hardanger rose 20 to 390p in
Earnlags Ykt.%(folD	10.19	10.29	10.27	10.29	10.28	11.04	. In	dices	QcL 28	Oct. 27	a restricted market following late buying interest.
P/E Ratio (net) (*) Equity Turnover £m	12.03	11.92 623.60	11.93 585.81	11.90 735.68	11.93 654.97	11.19 576.67	Equity Bary	Bargains Jains 10	. 1523	99.67 172.0 1184.1	Brokers Hoare Govett upgraded its pre-tax profit forecast for Cour-
Equity Bargains	_	23,512	26,546 271.1	32,398 349.6	34,708 315.8	24,954	5-Day Ave		1	106.4	taulds from £155m to £175m and this helped promote a good late
giantes spares (illi).	_	274.0	2111	,A7.0	ستر		Equity Barr Equity Valu	jainš	191.9 1300.1	211.6 1262.9	business which forced the shares up to 2951/ap, for a net rise of 101/2.
	10 a.m. 1264.7		a.m. 4.1	Noon 1264.6		1 p.m. 264.0	2 p.m 1264.		p.m. 264.7	4 p.m. 1265.3	Tobaccos pursued divergent trends with Bats Industries per- forming strongly and rising 10½ to
Day's High 126 Basis 100 Gove		ay's Low				old Mines	12/9/55. SE	Activity 197		 5.	452½p, while Rothsmans eased 2½ to 160½p.
							TEL 01-2				Thregmerten Secured Growth Trust firmed late to 71p, a net rise

Over 7m GEC shares changed to the AGM statement and moved hands, but the close was only 1½2 to the AGM statement and moved ahead late to close 4 higher at dearer at 171p. Plessey, at 14p, retrieved most of the previous day's loss of 3 which followed a profits downgrading by Chase Manhaitan Securities, while speculationed as potential suitors for haitan Securities, while speculationed as potential suitors for Ranks Hovis McDeugal, 6 up at tive improvements of 4 and 7 respectively were seen in STC, and Freshbake 7 to the good at 150p, and Thorn EMI, 456p. British Telecom hardened a couple of Telecom hardened a couple of necessarily as did BICC, at 261p. Anstrad moved up 2 to 115p behind reports that the company is to increase the prices of its family of IBM PC Compatible personal computers by 12½ per cent. International Signal ad Cantral revived with a wake of traded option activity and wake of traded option activity and puters by 12½ per cent. International Signal ad Cantral revived with a gain of 8½ at 237½p following news of a 348m US contract and Electronic Machine continued to respond to vague takeover chatter with a fresh rise of 7 at 75p. Applied Holographic rose 11 afresh at 324p on hopes of substantial orders arising soon for its holographic recommendation from Nomura.

to 220p in William Cook, while Press mention left Aurera 2½ dearer at 73p. TI Group came to life with a gain of 13 at 428p. Glynwed a rising market recently following a meeting with analysts, encountered further support and put on 6 to 299p. Davy Corporation continued to make headway at 143p, up 5, while buyers showed a keen interest in Hobson, which improved 3½ to 27½p.

Interim profits some £5m in creamed at 208½p amid vasue close 20½ up at 208½p amid vasue. improved 3½ to 27½p. 195½p. Elsewhere, Hepworth Interim profits some £5m in Ceramic advanced strongly to excess of market estimates failed close 20½ up at 208½p amid vague

on the other had, remained which reacted to 400p on profit-depressed by the recent disappointing figures and fell 15 more at 173p.

ASDA-MFI responded positively to the AGM statement and moved the adds but the close was only 11s.

on nopes or substantial orders arising soon for its holographic technology.

Among the Engineering leaders, Vickers improved 10 to 389p on occasional buying, while GEN edged up 4½ to 245p. Further consideration of the Weir Foundries and the subject of a buy recommendation from Nomura, moved ahead strongly to close 25 bigher at 938p. Elsewhere, in the miscellaneous industrial leaders, edged up 4½ to 245p. Further consideration of the Weir Foundries are subject of a buy recommendation from Nomura, moved ahead strongly to close 25 bigher at 938p. Elsewhere, in the subject of a buy recommendation from Nomura, moved ahead strongly to close 25 bigher at 938p. Elsewhere, in the subject of a buy recommendation from Nomura, moved ahead strongly to close 25 bigher at 938p. Elsewhere, in the subject of a buy recommendation from Nomura, moved ahead strongly to close 25 bigher at 938p. Elsewhere, in the subject of a buy recommendation from Nomura, moved ahead strongly to close 25 bigher at 938p. Elsewhere, in the subject of a buy recommendation from Nomura, moved ahead strongly to close 25 bigher at 938p. Elsewhere, in the subject of a buy recommendation from Nomura, moved ahead strongly to close 25 bigher at 938p. Elsewhere, in the subject of a buy recommendation from Nomura, moved ahead strongly to close 25 bigher at 938p. Elsewhere, in the subject of a buy recommendation from Nomura, moved ahead strongly to close 25 bigher at 938p. Elsewhere, in the subject of a buy recommendation from Nomura, moved ahead strongly to close 25 bigher at 938p. Elsewhere, in the subject of a buy recommendation from Nomura, moved ahead strongly to close 25 bigher at 938p. Elsewhere, in the subject of a buy recommendation from Nomura, moved ahead strongly to close 25 bigher at 938p. Elsewhere, in the subject of a buy recommendation from Nomura, moved ahead strongly to close 25 bigher at 938p. Elsewhere, in the subject of a buy recommendation from Nomura, moved ahead strongly to close 25 bigher at 938p. Elsewhere, in the subject of a buy recom occasional buying, while GKN Reed International reatured a rise edged up 4½ to 245p. Further consideration of the Weir Foundries response to interim figures well acquisition prompted a rise of 10 above market expectations. Bid to 220p in William Cook, while speculation revived in Pilkington Press mention left Aurera 2½ Bros., which advanced to 520p dearer at 73p. TI Group came to before settling a little below the life with a gain of 13 at 428p, best at 517½p a rise of 12½ on the

talk of a bid from English China Clays. US demand left Renters 18 higher at 534p, while other good spots included Cookson, 23 dearer at 459p, and BET 19 up 415p. High-gate and Job jumped 20 to 185p on cent stake in the company to Robert Fraser and Partners. Demand continued for Pearson. up 7½ at 590p, amid continued speculation that Hutchison speculation that Hutchison Whampoa has increased its stake

Newspapers continued their good form. Associated rising 9 more to 320p. Bristol Evening Post gained 5 to 675p after news that Kent Holdings had disposed of its 25.43 per cent stake, the shares having been placed with various institutions. Paper/Printing fea-tures included Chapman Indus-tries, 9 up at 206p, DEG, 7 higher at 273p, and Jefferson Smarfit, which rose a like amount to 248p. Cariton Communications were raised 40 to 910p, but ATA Selection weakened 7 late to 46p on disappointing

interim figures.

Properties traded firmly with
MEPC 7 higher at 353p and Land
Securities 3 dearer at 333p. Great
Pertiand Estates attracted buyers improved for the third successive trading session despite another lacklustre performance by builion, finally \$6.5 lower at \$N402.25 an oz. at 187p, up 5 and Peachey added 3 The sector's continued strength,

LONDON TRADED OPTIONS

**NEW HIGHS AND LOWS FOR 1986** 

pending any further takeover developments, but Caledonian Offshore jumped 30 to 120p on

revived takeover speculation.

Harrisons and Crestield again outperformed other Overses Trad-

ers, advancing 14½ more to 452p amid fresh talk of share sake building

South African mining markets

NEW HIGHS (106)
AMERICANS (5). BREWERS (4).
BUILDINGS (4). CHEMICALS (3).
STORES (6). ELECTRICALS (3).
ENGINEERING (2). FOODS (7).
INDUSTRIALS (16). INSURANCE (1).
LEISURE (6). MOTORS (1). NEWS-PAPERS (2). PAPER (3). PROPERTY
(5). SHIPPING (1). SHOES (1).
TRUSTS (24). OILS (1). GVERSEAS
TRADERS (3). PLANTATIONS (1).
MINES (7). BUILDINGS (1) Henderson Group.
STORES (1) Field (Mrs) Inc. ELEGTRICALS (4) Goring Kerr, P-E international,
Unitech, Wayne Kerr. ENGINEERING
(1) Stothert & Pitt. INDUSTRIALS (5)
BBA Group, Hill Ergonom, Nell &
Spencer, Sonartec, Williams Hidgs 51-pc
Cnv Pf. LEISURE (3) Aspinali, Marina
Development, Television Services.
NEWSPAPERS (1) Collins Wm. PAPER
(2) Conrad Hidgs, JWT Group. SHIPPING (1) Sea Containers. TOBACCOS
(3) BAT inds 124-pcl.n.

MiNES (7).

NEW LOWS (22)

LOAN (1) Nationwide 3%pc IL 2021.

BANKS (1) Business Mortgape Trust.

however, was almost totally attri-butabe to the efforts of Cape buyers who took of fresh positions. especially in top-quality Golds, as the Financial Rand rallied against the dollar amid hopes that General Motors will transfer sizable funds to settle debts in the Republic.

The firmer tone was not reflected in other international centres, indeed the Continent proditionally to acquire consultant surveyors Lambert Smith & Partners for an initial consideration of vided small offerings for choice, and consequently share prices finished below best levels. Nevertheless, the FT Gold Mines £6.5m. Abaco intends to combine its previously acquired chartered surveyors Anthony Brown Stuart with Lambert Smith to create a index still managed a rise of 8.2 to commercial estate agency and surveying basiness. Southead Stadium bardened a few pence to far this week.

Teaditional Options

with Estate agency and index still managed a like of 23 points so tively. The FT-SE 100 index far this week.

Teaditional Options

dium hardened a few pence to 211p following the interim results, while Hardanger rose 20 to 390p in a restricted market following late buying interest.

Brokers Hoare Govett upgraded its pre-tax profit forecast for Courtsulds from £155m to £175m and this helped promote a good late business which forced the shares up to 295½n. for a net rise of 10½. up to 295/sp, for a net rise of 10%. per cent of the equity.

Tobaccos pursued divergent Strong and persistent overseas ends with Bats Industries per and domestic demand for Sydney Tobaccos pursued divergent trends with Bats Industries performing strongly and rising 10½ to 452½p, while Rothsmans eased 2½ to 160½p.

Throgenetics Secured Growth Trust firmed late to 71p, a net rise of 3, following the proposed major changes to the company's structure and £8.1m net rights issue. Among Financials, National Home Leans jumped 10 to 92p as interest revived following encouraging reviews of the company's annual trading performance.

Oils subdued

Stocks and Melborne markets was carried over to London. "Down-under" over to London. "Expland over

tion, 7 better at 45p, and ACM. 14 up at 214p. Julia Mines spurted 11 to 60p: the company recently announced substantial reserves at announced substitutives at tis Goongarrie and Campendown gold deposits in Western Australia. Afts-West, in contrast, eased a penny to 14p as the Sierra Leone Government officially refuted recent reports that the company has signed an exclusive agreement. has signed an exclusive agreement for the development of the Koidu

Kimberlite project Traded Options Total contracts transacted in Traded Options amounted to 23,522. Relative newcomer TSBre-turned to the fore with 2,244 calls and 458 puts struck, while operators also cause for Hamson Trust and British Telecom which contributed 1,811 and 1,722 calls respectively.

**Traditional Options** 

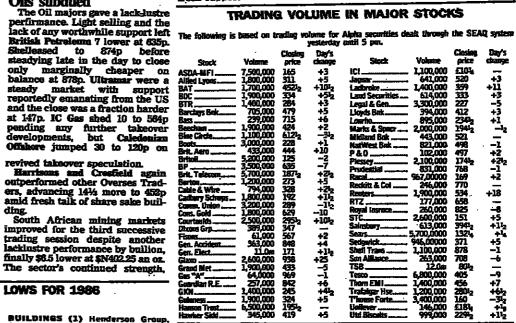
• First dealings Oct 20 Nov 3 Nov 17 e Last dealings Oct 31 Nov 14 Nov 28

Last declaration Jan 22 Feb 5 Feb 19

For Settlement Feb 2 Feb 16 Mar 2 For rate indications see end of Unit Trust Service Stocks favoured for the call included Censelidated Gold Fields,

included Consolidated Gold Fleids,
Fergabrock, Sound Diffinion,
Amstrad, Bestwood, Barham,
Raglan Property Trust, Lucas, C. H.
Bailey, TSB, Combined
Technologies, Arthur Lee, Otter
Exploration, Riley Leisure, Imry
Property, Britannia Security.
Nolton, J. E. England, Sears, Ryan
International, Reabrock, Peniland
and Fobel International. A put was
done in Riley Leisure, while a done in Riley Leisure, while a double was transacted in Pelly

TRADING VOLUME IN MAJOR STOCKS



I FUROPEAN OPTIONS EXCHANGE

NOCO AND FALLS	IESIE	RUNI	
sk Funds orations, Dom., and Foreign Bonds strials notial & Properties lations	Rises 9 4 525 196 24 4 89	Falls 94 27 331 113 37 0 23 43	Same 10 38 666 268 51 10 60

FT-ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times. the Institute of Actuaries and the Faculty of Actuaries

	EQUITY & SUB-SI		_	\	Nedne	esda	y Oc	tober	29 19	86	Tues Oct 28	Mon Oct 27	Fri Oct 24	(spinor) age Year
F	igures in parenthe: stocks pe			of Inde		w'c I¹	Est. Earnings Yield % (Max.)	Gross Div, Yield% (ACT at 29%)	Est. P/E Ratio (Net)	xd adj. 1986 to date	Index No.	index No.	Index No.	lødex Ng.
1	CAPITAL GOOD			652			9.29	3.92	13.69	15.51				560.15
2	Building Material Contracting, Cons	k (27)		786. 1105.			9.23 7.40	3.73 4.19	13.67 19.03	17.46 28.80				625.53
3	Electricals (12)	SOTUCUOL		1105.   1744.			7.AU 8.32	4.19	15.59	28.80 53.27			1726.82	953.89 1588.27
5	Electronics (38).			1415	.93 +1	: בֿ	10.06	2.87	13.32	29.35	1480.74	1393.06	1396.24	1309.69
6	Mechanical Engir	ineering (6	(06				10.97	4.58	11.62	9.79				323.81
8	Metals and Metal	! Forming	(7)	333.   254.			9.58 10.37	4.23 4.03	13.13	7.39 5.67				230.68 193.46
10	Other Industrial D	Materials	(21)	1198.	.67   +1.		7.46	4.50	15.90	29.58	1185.36	1180.79	1187.22	1029.11
21	CONSUMER GR						8.10	3.36	15.57	16.70				759.65
22 25	Brewers and Dist Food Manufactur			934. 706.			9.40 9.47	3.44 3.86	13.08	14.91 14.49				780.26 552.93
26	Food Retailing (1			1874	.09 +0.	5	6.23	2.76	22.34	30.21	1865.26	1882.96	1857.70	1727.20
27	<b>Health and House</b>		ducts (10				6.46	252	18.75	12.84		1477.08	1480.49	1176.80
29	Leisure (27)	O.E.		916. 2581.			8.10 7.20	4.45	16.38 18.01	25.08 55.86		914.83 2634.74		737.70
32 33	Publishing & Prin Packaging and Pa						7.20 7.31	3.57	17.77	10.54		2434.74 455.86		1896.69 371.04
34	Stores (38)			851 <u>.</u>	19 +0.	1 L	6.88	3.06	19.69	13.98	849.91	856.19	848.95	795.10
35	Textiles (37)						9.77	3.76	11.84	10.11				362.52
36	Tobaccos (2)	- 207)		1261.   776.			13.10 8.67	4.10 4.12	8.39 14.87	36.99				844.10
41 42	OTHER GROUPS Chemicals (20)						8.91	438	13.65	17.35 29.09				713.69 696.69
44	Office Egyloment	t (4)		241_	03 -0.	<u> </u>	7.71	4.42	15.68	7.55	241.36	241.36	239.84	230.66
45	Shipping and Trai	insport (1.)	3)	1501.			8.06	4.39	15.82	41.58			1491 32	1369.28
47	Telephone Netwo	orics (2)	***************************************				11,23	4.81 3.13	12.17 20.23	16.67		755.40		891.54
48	Miscellaneous (4)					_	6.21 8.52	3.67	14.90	16.84		1069.98 812.99		900.23
51	Oil & Gas (17)						12.48	6.84	9.87	62.40				702.73 1161.48
35	500 SHARE IND	=Y(500)					8.98	4.03	14.08	20.44		857.72		741.84.
<del>57</del>	FINANCIAL GRO							4.71		16.78		600.12		526.26
62	Banks (8)			651	23 +0.		19.33	5.62	7.10	23.94		646.66	646.73	529.65
65	Insurance (Life) (			806.	88	·   '	-	4.83	-	27.29	806.93	805.74	801.35	805.71
66	Insurance (Compo							4.55	<u></u>	10.93		480.75	478.01	402.56
67 68	Insurance (Broke Merchant Banks (						7.68	4.05 4.20	17.02		1269.39 342.50	1262.81	1251.61 337.94	1225.37 282.08
69	Property (49)			787.			5.74	3.58	22.86	14.35		782.38		693.41
70	Other Financial (2	24)		354.			9.09	4.45	13.38	9.06	353.27	354.11	348.83	309.24,
71	Investment Trusts		····	811.				2.80		13.75	807.44	803.68	801.72	631.35
81 91	Mining Finance G Overseas Traders			320. 754.			9.79 10.23	5.00 5.84	12.01 11.67	11.30 27.22	322.68 745.43	324.79 732.35	323.34 728.88	253.80 593.64
99	ALL-SHARE INT		7)	792			_	4.12	<del></del>	19.21	786.97	787.28	783,44	678.20
			,	Inde		-	Day's	Day's	Oct.	Oct		_		
	1			No		nge	High	Low	28	27	0ct   24	0ct 23	0ct   22	Year ago
	FT-SE 100 SHAF	RE INDE	X &						1583.6	1586.2	1577.1	15725	1589.6	1395,0
							T							
	FI	KED !	INTE	REST	1			AVER. REDE	AGE GRE MPTION	)SS YIELDS		Weds Oct 29	Tues Oct 28	Year ago (approx.)
		Tweet '		Tues		Π.,	-T	Britte	sh Govern	went .		$\neg \neg$	$\neg$	
	PRICE INDICES	Weds Oct	Day's change	l lues	nd adj. today	xd a		1 Low	5	years		9.79	9.75	9.91
	INDIVES	29	%	28	LUKAUJ	10 4		2 Coupa				10.43	10.37	10.16
$\neg$	A MALL PROPERTY	<del>]                                    </del>	<del></del>	$\vdash \!$	<del></del>	<del>  -</del> -	<del>-</del>	ے 4 Medig		5 years 5 years		10.44	10.38	10.17 10.77
	British Government		272	118.97	i	ا		5 Coupo		years		10.78	10.74	10.50
	5 years	118.82			-		<u> </u>	6		years		10.42	10.39	19.17
	5-15 years	129.08		129.48	_	l 끄		7 High		years		11.32	11.24	10.87
	Over 15 years	134.69		134.95	—	111/		8 Coupor 9		years		10.96	16.92	10.64
	trredeemables	145.60		146.65	—	13.3	34   <sub>7</sub>	0 Irredec	ے _anables_	years		10.53 10.23	10.49 10.15	10.53
_5	All stocks	127.68	-0.24	127.98		111	ᅋᆜ		-Linked		<del>==-</del> -  -	102		- <u>9.77</u>
_	Index-Linked	[/	[	[ <u> </u>			נ ר־		e rate 5%		5 yrs	4.33	4.34	0.0
6	5 years	113.16	+0.04	113.12	_	رع ا	.00   1	2 Inflati	n rade 5%	Over :	5 yrs	3.82	3.81	ũ
71	Over 5 years	110.35	-0.03	120.38	<b> </b>	2.			a rate 10%		5 yrs	2.91	2.92	0.0
8	All stocks	110.77	-0.02	120.79			ئــــا وم		a rate 10%	• Uver	5 yrs	3.65	3.65	ᅃ
4						<del></del>		5 Debs 8		5 years.		11.65	11.63	11.14
9	Debentures & Leans .	110.97	-0.10	111.08		9,1		6 Leans		15 years. 25 years.		11.60 11.55	11.58 11.53	11.14
10	Preference	79.48	-0.01	79.49	_	1 5/		8 Prefer				11.58	11.58	11.14

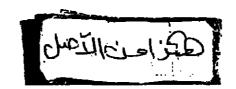
40pening Index 1589.1; 10 am 1593.1; 11 am 1592.2; Noon 1593.7; 1 pm 1593.8; 2 pm 1594.3; 3 pm 1593.8; 3.30 pm 1594.8; 4 pm 1594.7

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Option		Jan.	Apr.	Jely	Jan.	Apr.	July	<del>-</del>	Option		Nov.	Feb	May	Nov.	Feb.	May
Alfied Lyons (*310)	280 300 330	43 25 101 <sub>2</sub>	52 35 17	57 43 27	3 9 27	13 30	10 18 35	Midlas (*52		500 550 600	35 7 3	55 25 8	70 40 15	7 92 77	15 40 80	18 45 82
8.P. (*634)	360 550 600	100 62	118 85 52	Ē	50 5 14	10 23	† <u>∓</u>	P. 6 (*45		460 500 550 600	43 12 11 <sub>2</sub> 05	57 30 12	68 48 23	11 <sub>2</sub> 15 55 105	7 25 58	10 33 65
Cors. Gold (*624)	650 700 550 600	102 67	25 125	70 38	33 67 14 27	55 87 25 45	63 95	Rac (*16		140 160 180	휧	38 22 12	46 32 18	2 5 17	5 10 18	8 14 22
Courtacks	650 700 260	38 20 41	85 57 37	77	48 82 2	65 97	80 107	- R.T.	<u>,                                     </u>	200 220 600	11 <sub>2</sub>	2	102	32 52	18 34 54	36 - 30
(*292)	280 300 330	25 14 7	36 24	45 31 —	7 16 41	11 20 —	14 24	(*65 Vasi f		650 700 750	27 10 4	85 52 27 -	72 42 —	20 52 100	37 67 —	82 -
Com. Union (*287)	260 280 300 330 360	40 252 15 7 3	47 34 23 13	41 30	3 10 19 44 74	8 15 24 47	18 28 —	(*57 Tr. 113/9	6 1991	70 80 90	33 <sub>2</sub> 1	131 <sub>2</sub> 81 <sub>4</sub> 4	17 12 7	3 71 <sub>2</sub> 17	3 <sup>3</sup> 2 7 10 18 <sup>3</sup> 2	5½ 9 140 <sub>2</sub> 20½ 1¼
Cable & Wire (*327)	280 300 325	57 42 23	72 60 43	73	3 7 16	10 17 27	23		92)	102 104 106	0% 0%	15 1 00 <sub>2</sub>	04	144	2 53 412	2 35 45
	3385	12 5	24	55 	22	40	40	1,117% (*E1(		106 108 110 112	24 04 04 04	48 38 26 18	411 311 3 24	01, 15, 213, 45, 65,	24 3/6 44 5/2 7/4	3% 4% 5% 64 8%
6.E.C. (*171)	160 180 200 220	19 8 2 1	26 14 5	28 18 	5 15 30 50	7 18 34	22 			1114	0 <u>2</u>	11. 01.	21 15 03	8 <sup>1</sup> 2	94	81. 91.
Grand Met.	360	85	90	-	ī	3			Optica		Dec	Mar	Jan .	Dec	Mar	Jun
(*434)	390 420 460 900	57 35 17 208	65 45 30	65 43	3 13 37	20 40	25 45	Beech (*42	<b>4</b> )	330 360 390 420 460	100 70 43 24	80 55 38 21	- 62 48	78 5 5	3125	15 30
(*1084)	950 1000 1050 1100 1150	160 115 77 50 30	177 133 100 73	- 123 93 68	6 10 22 47 80	12 23 40 65 95	47 70 97	Book (*22		200 220 240 260	29 16 5	42 28 18	49 36 25	11/2 5 18 36	50 13 19 38	30 8 15 25
Land Securities (*333)	300 330 360	39 17 7	47 27 13	56 36 —	4 11 29	7 14 29	9 20 —	(*28	t)	280 300 307 330	18 6 112	29 18 - 8	25	10 B9 50	15 27 50	20 30
Marts & Spen. (*196)	180 200 220	22 9 3	30 19 9	35 15	3 13 28	7 15 29	9 17 31	8as (*71	j)	650 700 750	80 40 20	95 60 40	110 75 50	5 18 55	12 23 60	17 40 65
Shell Trans. (*876)	750 800 850 900 950	150 103 75 35 15	170 126 93 63 33	    87 50	3 10 21 43 75	8 20 37 69 95	- - 73 107	Blue Ci (*61/	3	550 600 650 -700	80 45 20 8	95 96 38 —	105 72 47	8 20 45 85	12 25 50	18 35 55
Trafaigar House (*281)	240 260 280 300	46 28 14 6	54 35 23 15	43 31 22	3 6 17 29	5 10 21 35	13 25 38	De 8e (*\$70	5)	650 700 750 800	80 55 28 10	115 98 70 45	115 90 —	17 45 75 110	40 65 95 125	85 115
TS8 (*80)	80 90 100	7½ 3½ 1½	12 7 4	14 81 <sub>2</sub>	4 111 <sub>2</sub> 191 <sub>2</sub>	51 <sub>2</sub> 121 <sub>2</sub> 20	7 13	Dixor (*347	,	300 330 360 390	54 30 14 4	64 38 24 132	56 40 26	1 6 24 46	3 10 26 48	14 30 48
Option		Ngr	Mar	June	Nov	Mar	June	GKK (*244	5	240 250	ЭР	26 17	35 24	23	16 27	22 34
Lonrito (*235)	220 236 240		28 	33 20	9	20	15 	Gizo		280 300 900	67	10 5	130	39 59	39 59 42	47
Option	-	Nov.	Feb.	May	Nov	Feb	Mav	(*938	ן פ	950 1000	36 18	172	102	23 55 88	70	55 83
Brit Aero (*443)	420 460 500	30 9 2	55 33 17	62 40 25	5 25 82	13 33 70	20 38 72	Hanso		1050 1100	10 5 38	40	<u>                                     </u>	135 180	140 - 3	Ξ.
BAT Inds (*450)	390 420 460	66 37 7	80 58 27	90 70 40	1 <sup>1</sup> 2 4 20	19 23	7 15 28	Jagus	r	180 200 420	20 89 <sub>2</sub>	43 27 151 <sub>2</sub>	32 <sup>1</sup> 2 20	2 <sup>1</sup> 2 10 <sup>0</sup> 2	<u>15</u>	18
Barclays (*479)	460 500 550	25 6 11 <sub>2</sub>	50 25 9	60 35 17	7 30 75	13 25 77	20 42 82	(-519	n	460 500 550 600	73 43 17 8	93 60 35 20	85 55	3 18 40 82	14 25 45 82	90 50
Brit. Telecom (*188)	180 200 220	12 21 <sub>2</sub> 04 <sub>2</sub>	20 9 3	26 17 10	2 15 33	8 19 35	12 25 37	Tess: (*406	ŝ	330 360 390 420	83 53 27 13	68 43	- 169 35	1 3 8	- 8 17	<u>=</u>
adbury Schweppes (*193)	160 180 200	35 18 5	43 27 16	46 32 21	13 <sub>2</sub> 5 12	7 11 19	7 14 23	Thora E	iMi )	420 460	50 23 10 2	25 38 25 8	35 75 22 23 24 25 25 25 25 25 25 25 25 25 25 25 25 25	27 3 20	29 23	14 27
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Imperial Gr. (*393)	300 330 360	95 65 35	=	Ξ	1 11 <sub>2</sub> 4	Ξ	=	Optic ET.SS	1525	Oct.	<del></del>	Dec.	Jan. O	1. No.	. Dec.	<del>+</del>
Ladbroke (*356)	300 330 360 390	57 28 9	70 45 23 9	53 33 19	1 5 13 40	3 10 20 43	12 25 50	FT-SE Index (*1595)	1550 1575 1600 1625	72 47 23 42 12 12	65 48 32 20 12	77 63 48 35 23	88 70 58 45	1 1 1 2 3 3 3 4 4 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	22 32 35 35 58 72	30 40 53 65
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BASE LENDING RATES  **  ABN Bank 11 Citthank MA 11 Maryan Grenfell 11  Adam & Company 11 Citthank MA 11 Maryan Grenfell 11  Allied Arab Rt Lat 11, Cry Merchants Bank 11 Mat Bk. of Krenit 11  Allied Dunkar & Co 11 Cydestale Bank 11 Mat Bk. of Krenit 11  Allied Lish Bank 11 Compan, Bk. H. East 11 Mat Westniester 11  American Exp. Bk 11 Compant Bk. H. East 11 Marwester 11  American Exp. Bk 11 Compant Bk. H. East 11 Marwester 11  American Exp. Bk 11 Compant Bk. H. East 11 Marwester 11  American Exp. Bk 11 Compant Bk. H. East 11 Marwester 11  American Exp. Bk 11 Compant Bk. 11 Northern Bank Lett. 11  American Exp. Bk 11 Compant Bk. 11 PK Finans. Ind (UK) 11½  Associates Cap Corp. 11 E. T. Trust 12 R. Rapkeel & Soot 11  Bank Aspealies 11 Expert Trust Lot. 110½  Bank Aspealies 11 Expert Trust Lot. 110½  Bank Aspealies 11 First Mat. Fin. Corp. 11 Sandard Claretered 11  Bank of Cydens 11 Robert Fleming & Co. 11  Bank of Scotland 11 Robert Fleming & Co. 11  Bank of Scotland 11  Bank of Scotl
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# WORLD STOCK MARKETS

AUSTRIA  Oct. 29 Price + or Oct. 29 Price + or Oct. 29 Price + or Oct. 29 Kroner - Oct. 20	CANADA
December	Sales Stack   High Law Date Date   Sales Stack   High Law Class   Deep   Sales Stack   High Law Class   Hig
NETHERIAMD Emprunt 435874, 1,690 -10 Length & Over 1 7964 -15 Bank Tokyon 830 +1 DBS 9866	Indices
Oct. 29   Price   + or   Fis   - or   Fis   Fis	
ACF Holding 61.5 -0.5 AECON 38.8 -1.5 3.7 AECON 38.8 -1.5 3.8 AECON 38.8 AECON	0.95 0.96 0.97 0.98 0.98 0.99 0.99 0.97 0.99 0.99 0.99 0.99 0.99
Royal Dutch	0.85 Companie 240.54 239.75 230.77 238.25 239.29 235.3 255.3
Calca Muse S 40 10 mg MIE 1000 40 Cature 10 70 70	0.15 Oct Oct Sept Year Agn (Approx) 1575.47 1865.81 1845.84 1851.82 1588.85 (20/6) 1025.85 (21/1) 0.45 15 3 24 NETHERLANDS ANP.CPS General (1876) 287.8 278.2 272.7 501.0 (6/8) 240.4 (3/6) 0.25 1641 dby yield % 287.7 271.8 274.8 272.9 505.8 (18/6) 254.9 (4/6)
NOTES — Prices on this page are as quoted on the individual consolidated Pet 0.33 Hobishi Bank 1,630   +10   Sage Holdings   9.6   -7    exchanges and are last traded prices. \$ Dealings suspended.   Consolidated Pet 0.33   Hobishi Chem	0.5 Ind. P/E Ratio 17.86 18.84 18.89 12.64 NORWAY Oako SE (4/1/85) 868.19 888.20 569.52 388.57 482,87 (16/1) 551.61 (4/8)
	N.Y.S.E. ALL COMMON
OVER-THE-COUNTER Nasdaq national market, closing prices	29 28 27 24 High Law Issue twind 2,894 1,877 1,886 Islands twind 2,894 1,877 1,886 Islands twind 38 Islands
Opticit 18 247 1814 1812 1812 1812 1812 1812 1812 1813 1814 1814 1814 1814 1814 1814 1814	MYSE-Consolidated 1500 Actives   Stocks   Stoc
PastaCh 34 251 178, 11 11bg   S   S   Symbol 37 251 178, 11 11bg   S   S   Symbol 17 10fg 10fg 10fg 10fg 10fg 10fg 10fg 10fg	Migrate & Minis   2,893.4 2,171.5 2,
Positific 32 83 15% 15½ 15½ SKFAB1.196 18 46% 46% 46% - \$ TCBYs 48 821 15% 15% 15% 15% 15% 15% 15% 15% 15% 15	LONDON N. AMERICAN QUARTERLY RESULTS
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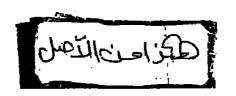
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Continued on Page 37



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HAND DELIVERY **SERVICE** 

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**FRANCE** 

# FINANCIAL TIMES WORLD STOCK MARKETS

**WALL STREET** 

# **Takeovers** fuel fresh advance

THE LITTLE strength stock prices could muster yesterday on Wall Street came almost entirely from speculation over a wide range of takeovers against the background of a sharply higher bond market, writes Roderick Oram in New

Bond prices soared by more than 1% points amid rumours Japan was considering an interest rate cut and the fall in oil futures below \$14 a barrel on the New

York Mercantile Exchange.

The Dow Jones industrial average closed up 6.33 points at 1,851.80 while the New York Stock Exchange composite index advanced 0.81 of a point to 138.80. Volume expanded to 165.1m from 147.1m on Tuesday with advancing issues outnumbering declining by 1012 to

Among blue chips, Du Pont was ahead \$1 to \$83%, Chevron was down \$% to \$41%, IBM rose \$% to 121%, Philip Morris gained \$1 to \$73%, Sears Roebuck rose \$1% to \$44, and United Technologies advanced to \$42.

AT&T, which announced a strengthening of its pact with Olivetti, the Italian computer group, gained \$\% to \$24\%.
Commercial Credit was the most ac-

1982

STOCK MARKET INDICES

206.99

864.21

10.53

710.8

2,093.4 3,011.8

144.4

749.68

268.70

924.21

Oct 28

333.0

COMMODITIES

GOLD (per ounce)

1.851.80 1.845.47

1,597.0 1,583.6

839.08 834.25

1000

DJ industrieis

DJ Transport

S&P Composite

DJ Utilities

FT-SE 100

FT-A 500

Tokyo SE

**AUSTRALIA** 

Metals & Mins

Credit Aktien

Belgian SE

atals & Minls Composite

All Ord.

**AUSTRIA** 

BELGIUM

CANADA

**Portfolio** 

DENMARK

**CAC Gen** 

Ind. Tendance

FAZ-Aktien

HONG KONG

Hang Seng

Banca Comm

NETHERLANDS

ANP-CBS Gen ANP-CBS Ind

STALY

NORWAY

Oslo SE

SINGAPORE

JSE Golds

Madrid SE

SWITZERLAND

Swiss Bank Ind

MS Capital Int'I

Silver (spot fixing)

Copper (cash)

Oil (Brent blend)

Coffee (Nov)

SPAIN

J&P

WORLD

(London)

London

Zürich

Paris (fixing)

New York (Dec)

SOUTH AFRICA

Commerzbank

FRANCE

FT Gold mine

FT-A Long gitt

LONDON

Tokyo

w Stock Exchan Jan 4,1968-100

1983

205.09

236.26

1,255.6

856.80

10.49

277.7

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196.26 230.31

377.50 218.3

653 73 578 81

755.97 408.90

924.48 769.68

Year Ago

1.099.8

946.2

92.33

224.2 203.2

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529.48 1,527.77 127.17

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368,19 368.20 388.20

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565.10 564.40 501.5

Oct 29

395.40p

£916.50

\$12.80

Oct 29 \$405.25

\$406.35

\$405.94

\$408.25

\$407.30

£2,222.50

330.40 230.8

Prev 399.15p

£923.00

\$13.25

\$411.75

\$410.55

\$410.43

S410.50

\$413.90

\$2,387,50

181.94 184.03

1984

1,368.73

650,40

160.24

1,067.3

1,364.4

741.84

10.30

517.2

C\$

**KEY MARKET MONITORS** 

tive issue with more than 11.3m shares traded by early afternoon with the price rising \$% to \$21. The financial services company was spun off by Control Data yesterday in an initial public offering of 38m shares at \$20% in a deal worth

BankAmerica jumped \$2 to \$15% following a revised takeover offer worth an estimated \$22 a share in securities of First Interstate Bancorp. First Interstate fell \$% to \$54%.

USX fell \$% to \$25%. Mr David Roderick USX chairman, was due to meet Mr Carl Icahn yesterday afternoon for the first time since Mr Icahn made a \$31 a share bid for USX. The steel and energy group said it would receive shortly proposals for restructuring drawn up for it by investment banks.

Goodyear gained another \$\% to \$48\% on volume of more than 3m shares by lunchtime. The market is certain that Sir James Goldsmith, the Anglo-British financier, has built up a 15 per cent stake, possibly in partnership with an-other investor. No filings with the Securities and Exchange Commission declaring stakes have been made public yet.

Lear Siegler, up \$\% to \$82\%, said a partnership consisting of AFG Company and Wagner and Brown, has indicated that it holds a 5 per cent stake and has requested a meeting with the manage-

Among other stocks involved in takeover and restructuring speculation, W. R. Grace rose \$2% to \$58%, CPC International was ahead \$1% to \$80%, Lowe's Companies surged \$3\% to \$29\% and Fed-. erated Department Stores gained \$1% to:

CURRENCIES

2.0339

160.10

6.6475

1.6765

2.2960

1.3885 1.3885 1.9600

INTEREST RATES

US BONDS

1001/2 6.30 9974/2 7.25

Oct 29

Day's change

+0.47

+0.25

+0.10

+0.30

October 291

8¾ March 1996 102.00 8.433 102.25 8.394

9% March 2016 105.25 9.346 105.75 9.298

9% March 2016 97.00 9.682 97.25 9.656

led on a sami-annual basks

FINANCIAL FUTURES

Latest High

92.125

1,401.50 1,405.00 1,978.00 1,990.375 42.20

US DOLLAR

Oct 29 Previous

2.0290

160.45

6.625

1.6745

2.2935

fered rate)

US Fed Funds

US 3-m

Treasury

(years)

Source:

AT & T

Corporate

3% July 1990

SCBT South Ce

10% Jan 1993

Phibro-Sal

Arco

Citicorp

Yield calcula

CHICAGO

Dec

US Tre

LONDON

Three-n

8% 32nds of 100%

\$1m points of 100%

\$1m points of 100%

\$1m points of 100%

£50,000 32nds of 100%

\* Latest aveilable figures

**US Treasury Bonds (CBT)** 

Certificates of Deposit (III

er Notional Gift

ery Bills (IMM)

8 April 1996

81/4 April 2016

1996

2016

Source: Harris Trust Şavings Bank

157,06

150.25

140.99

153,10

181.57

9-month US\$ 6-month US\$

E.F. Hutton, the securities firm, surged \$4% to \$52 after its opening was delayed by an order imbalance. American Express, down \$% to \$57%, denied the recurring speculation that it was about to announce an agreed merger. Genentech fell \$4 to \$88% after jump-

ing \$12% on Tuesday after it announced it was offering \$440m of its stock to buy out two research and development part-

Among companies reporting higher third-quarter profits yesterday, Ameri-can Can rose \$1 to \$88% and Tandem, the computer group, gained \$% to \$38%. Tenneco rose \$% to \$39% after reporting a sharp fall in earnings.

Credit markets recovered from their sharp price fall late on Tuesday when the auction of seven-year notes brought higher-than-expected yields.

The price of the benchmark 7.25 per cent Treasury bond due 2016 soured by 111/10 points to 94 1/2 yielding 7.68 per cent. In the "when issued" market the new seven-year notes were back down to a yield of 7.17 per cent near the level before the auction result of 7.21 per cent was announced.

Treasury bills fell four basis points across the board with three-month bills at 5.19 per cent, six month at 5.25 per cent and year bills at 5.44 per cent.

The Treasury announced in late afternoon a \$29bn quarterly refunding operation beginning next week while it left unchanged the 7.50 per cent interest rate on US savings bonds. The high rate of the bonds has attracted an unprecedented flow of funds.

Investors were also keeping a close eye on the release today of September's trade deficit. A small increase from August's \$13.3bn is likely but the analysts will be looking for any signs within the total figure that the sharp fall in the dollar is beginning to have some positive ef-fect on the balance.

#### **TOKYO**

31150

**0011**E

2,875

226.50

3.2515

1.9650

11%

6%s 51%s 5.875 5.34

100% 6.324

100% 7.208

7.407

-0.05

-0.04

-0.03

-0.06

-0.07

4% 4% 7%

STERLING

1.4115 1.4155

9.35 9.475 2.36 2.37125

226.50

3.24

59.50

11%

5.65\* 5.20\*

7.402 992%2

7.799 941 7.719

7.07

6.31 6.88

8.20

6.30 92.125 6.30

107.125 9.367 107.25 9.367

89.50 9.0625 90.25 9.079

95-28 97-00 95-24 96-07

94.83 94.85 94.77 94.81

94.03 94.03 93.98 94,03

109-14 110-04 109-10 110-00

Prev

Price Yield

98.25 8.269

4%s 41%s

## **Utilities** generate new gains

VOLUME SWELLED in Tokyo yester-day, with the start of trading for deliv-ery next month, and the Nikkei average registered another large gain, writes Shigeo Nishiwaki of Jiji Press.

But trading was undertaken mainly by securities house dealers, since investors were still wary about the outlook for prices, analysts said. The average advanced by 107.55 to 16,505.38 on a volume of 501.98m shares,

a sharp increase from the previous day's 314.62m. Gains led losses 455 to 338, with

Prices continued to move nervously throughout the day, according to one dealer for a leading securities house. Utilities were bought heavily early in the session, pushing the Nikkei average up by 133 points to a high mid-morning. But buying then subsided, bringing the increase back to 35 in the afternoon, although utilities were bought again toward the close. Tokyo Electric Power acted as a mar-

ket stimulant, soaring Y190 to Y6,890. The issue appeared undervalued compared to the Y1,197,000 selling price the Finance Ministry set yesterday for individual investors in Nippon Telegraph and Telephone. Tokyo Gas, a stock related to the Tokyo Bay area redevelopment project, gained Y15 to Y910 on the heav-iest trading of 41.89m shares. Ishikawajima-Harima Heavy Indus-

tries, also with real estate in the Tokyo Bay area, came second with 32.42m shares, but lost Y8 to Y420. Nippon Kokan, third with 29.83m shares, dropped Y9 to Y209.

Blue chips lost popularity due to a slowdown in the yen's decline and announcement of a series of poor business results. Mitsubishi Electric, which on Tuesday reported a steep drop in recurring profit for the April-September term, shed Y19 to close at Y409. Fujitsu, which had led blue chips, declined Y50 to Y1.080. Matsushita Electric Industrial Y40 to Y1,820 and Hitachi Y11 to Y980.

In contrast, speculative leaders attracted buy orders. Janome, Tobishima and Tokyo Tanabe scored a daily limit increase of Y100 each to Y2,260, Y663 an Y810, respectively. Ihara Chemical finished at Y1,600, up Y200, also a limit gain.

Bond prices opened weaker because of the mediocre results of Tuesday's bidding for seven-year US bonds, but firmed slightly toward the close.

Trading was mainly to correct the high price of the 6.2 per cent government bond due in July 1995, with its yield rising from 5.285 per cent to 5.305 per cent. The price of the benchmark bond had been more than Y5 higher than the December futures contract, but the gap has narrowed to nearly Y1.40 in

#### **SOUTH AFRICA**

A FALL in the bullion price was reflected in Johannesburg gold issues, which retreated from their firmer midsesssion levels to close mixed. Industrials tended firmer.

In golds, heavyweight Ofsil ended R3 higher at R135 after reaching a day's high of R138.

Platinums and most other minings also retreated from their earlier highs with Impala ending unchanged at R49.50, while diamond issue De Beers rose 25 cents to R34.25.

EUROPE

# **Corporate** news gives inspiration

CORPORATE NEWS continued to offer the main source of interest on European bourses yesterday as investors remained cautious and trading volume

hugged low levels. Frankfurt staged a late recovery from the day's lows but the Commerzbank in-

dex showed a 16.8 drop to 1.937.7.

Daimler was a prime feature with its
DM 19 drop to DM 1,197, after touching DM 1,190, on the growing belief that the group was poised to announce a capital

vw suffered an equally sharp DM 8.30 decline to DM 465.50, while BMW proved more resilient with a DM 2.50 fall to DM

Banks were still overshadowed by the implications of the Neue Heimat debt restructuring saga and Deutsche Bank dropped DM 5.50 to DM 750.50. Chemicals were less vulnerable to the

softer tone as BASF slipped DM 3 to DM 271.50 and Bayer closed DM 1 lower at DM 289.

Among steel makers, Hoesch, which agreed to buy a small German electrical engineering company, lost DM 2 to DM KHD dropped DM 3 to DM 195 and Mannesmann declined DM 4.50 to DM

170.50 on reports that the West German engineering industry could expect slower growth next year as exports declined with the lower dollar. A BFG Bank report for the German

equity market suggested that prices are likely to remain firm in the short-term because of the solid fundamentals of the economy but that a flexible investment policy was necessary because of the volatility of interest rates and currencies. Chemicals were likely to benefit from cheaper oil and low inflation, while the

electronics sector could expect about a 20 per cent rise in profits. The consumer sector was forecast to see an earnings growth of 4.5 per cent, the same as this Bond prices dropped by up to 70 basis points at the long end. The softer dollar failed to lend support, although dealers suggested that today's US trade figures

strength if another wide deficit is revealed. The Bundesbank market balancing operations amounted to purchases of DM 51.5m of paper after Tuesday's sales

for September could provide some

A Dresdner Bank report forecast that a sustained rise in bond yields in unlikely and recommended that medium-term DM bonds be purchased and foreign currency positions reduced.

Paris opened firm but lost some of its momentum near the close. Dassault jumped FFr 47 to FFr 1,165 on news that Mr Serge Dassault, son of the late founder, would take over control of the aero-

space group.

Publishing group Presse de la Cité, subject to a takeover bid by Générale Occidentale, traded 2.1 per cent higher to a 12-month peak of FFr 2,830.

Peugeot rose FFr 21 to FFr 1,088

ahead of its jump in first-half profits. Brussels was mixed ahead of expected government details of a pension savings scheme. Bellwether Petrofina dropped BFr 60 to BFr 9,300.

Solvay, which announced that it would stop soda ash producton at its Swiss subsidiary in a move to restore profitability, fell BFr 60 to BFr 7,990.

A public offering by the family-owned sausage company Ter Beke was heavily oversubscribed. The issue, underwritten by Générale de Banque, will commence-

trading next Tuesday.

Madrid continued its decline with large losses among banks. Hispano fell 10 percentage points to 430 per cent of nominal value while Vizcaya dropped 50 points to 1,320 per cent. Steels and most building issues gave up ground as profit-takers sold rapidly. Telecommunications monopoly Telefonica proved relatively

Zurich finished steady in light volume. Amsterdam fell although some internationals managed a late recovery. Océ van der Grinten closed Fl 15 lower at FI 447 after a brief suspension by the

resilient with its % point fall to 166 per

bourse following "bearish press reports." Stockholm turned mixed in lacklustre dealing. Fermenta, due to report its nin-month figures today, dipped SKr 2 to SKr 130, SKF, which revealed soft ninemonth profit figures late in the day, fell

SKr 5 to SKr 343. Milan closed lower with Olivetti down L100 to L15,300 on its plans to renego-tiate its alliance with AT&T.

Fiat fell L70 to L15,380 ahead of its

#### **AUSTRALIA**

A RUSH for gold issues spilled into industrials in Sydney, where the market closed sharply higher. The All Ordina-ries index closed 16.6 higher at 1,374.3.

The main feature of the day's trading was the news that Chase Corp is to make a A\$1.15 a share offer for all the issued capital of Hanimex. Chase ended 40 cents higher at A\$6.20 while Hanimex put on 5 cents to A\$1.00, still 15 cents be-

low the offer price.

Leading golds finished strongly, boosted by the US\$3.60 an ounce rise in bullion urices in New York. Poseidon gained 45 cents to A\$4.50,

Renison rose 24 cents to A\$9.40 while Kidston advanced 40 cents to A\$8.20. Most leading miners were also ahead.

#### LONDON

A FORECAST of a 1 per cent rise in UK manufacturing output by Britain's employers' organisation helped share prices move higher in London, and the FT Ordinary index showed a gain of 11.6 to 1,267.2 at the close. The FT-SE index advanced 13.4 to 1,597.0.

Gilts were initially encouraged when the new filbn Treasury tap stock was oversubscribed, but prices later eased as the market faced the problem of passing on the stock to retail customers. Longdated-issues ended with losses of %.

Despite low morale on the exchange's floor a brisk trade was maintained across the range of markets, with company results and speculative factors providing many features.

Chief price changes, Page 37; De-tails, Page 36; Share information service, Page 34-35.

#### **HONG KONG**

SPECULATION ABOUT share placements by some blue-chip companies was seen in Hong Kong, where prices eased a shade lower in fairly active trading.

The Hang Seng index lost 10.69 to end at 2,345.24 after losing some 15 points early and gaining the same number in

the afternoon. Institutional buying interest was subdued amid persistent selling, brokers said, adding that the near-term outlook had become uncertain.

Properties were mixed, with Cheung Kong easing HK\$1.25 to HK\$33.00. New World added 30 cents to HK\$9.15.

#### **SINGAPORE**

SPORADIC SELECTIVE buying alternated with profit-taking bouts in active Singapore trading that saw the market close mixed. The Straits Times industrial index shed 0.27 points to 924.21.

Public Bank topped the actives and gained 17 cents to S\$1.46, while Malayan Banking rose 10 cents to S\$5.15. Tat Lee Bank was steady, at S\$3.18 while DBS was 10 cents cheaper at S\$9.65.

Plantation group Sime Darby rose 1 cent to S\$1.92.

Inchcape gained 3 cents to S\$3.02 while OUB rose 17 cents to S\$1.46.

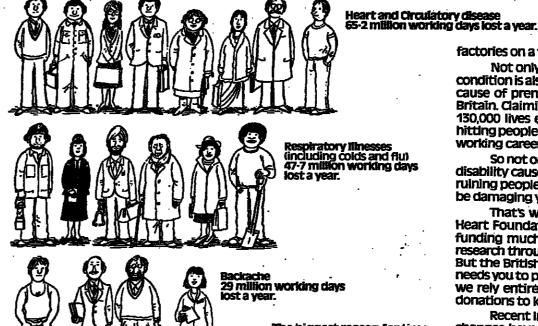
#### CANADA

**DECLINING GOLD issues dragged Tor**onto weaker in fairly light trading.
Easier golds included Echo Bay
Mines, which dropped C\$1 to trade at C\$28%, Lac Minerals C\$% to C\$24.00 and International Corona C\$% to C\$26%.

Dome Petroleum was unchanged at C\$1.14 after the company said on Tues-day night that its major international lenders had agreed to further referral of debt payments.

Other energy issues were mixed. Imperil A fell CS% to CS44%, Texaco Canada rose C\$% to C\$27%, while Shell Canada was unchanged at C\$22%. Montreal was also lower.

# Just what's wrong with your staff?



Diabetes 4-7 million working days

4 million working days

(Days certified incapacity for work; 1982/3 DHSS

Ē

more than 200,000 British people away from their offices and

The biggest reason for time off work may not be what you'd first expect. Because it's not backache or injuries. Or colds and flu. And even strikes and disputes only.accounted for 6-4 million lost. days last year. In fact it's heart and circulatory disease that keeps

Not only that, this same condition is also the largest single cause of premature death in Britain. Claiming more than 130,000 lives every year. Often hitting people at the peak of their working careers. So not only is the death and disability caused by heart disease

factories on a typical working day.

ruining peoples lives, it's likely to be damaging your company too. That's where the British

Heart Foundation plays a part, funding much needed heart research throughout the country. But the British Heart Foundation needs you to play your part too as we rely entirely on voluntary donations to keep up our work Recent inland Revenue

changes have made company donations to charity increasingly tax advantageous. To find out more about them, contact us now.

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# FINANCIAL TIMES SURVEY

Northern reland

Twelve months after its signing the Anglo-Irish Accord is still in operation, despite continued opposition, and some modestly encouraging developments are evident within the economy. The course of events, however, remains hard to predict

# A bridge under crossfire

By Hugh Carnegy

THE LAST 12 months have been the year of the Angio-Ivish agreement in Northern Ireland. Even by the standards of 16 years of political conflict and violence in the province, it has been a fraught period,
As the first anniversary of the

is still firmly in operation, an achievement in itself in the grim history of previous failed attempts to resolve Northern Ireland's troubles.

Ireland's troubles.

The intergovernmental conference it set up has met regularly despite occasional disagreements between its cochairman, Mr Peter Barry, the Irish Foreign Minister, and Mr Tom King, the British Secretary of State for Northern Ireland. Irish officials work on at the conference secretariat outside Belfast.

The governments assert that

The governments assert that the Accord has produced advances in cross border security co-operation against the Irish Republican Army and in measures to reduce the griev-ances of the minority the Sunningdale | Catholic community. An inter-initiative in 1974.

national fund has been set up with generous contributions from the US and elsewhere to back the Accord by dispersing funds to impoverished areas on both sides of the border.

The approach is that the US and elsewhere to back the Accord by dispersing funds to impoverished areas on the growing a one-day industrial stoppage by Unionists, unprecedented attacks on the Royal Unionists.

much more than one year-to achieve its aims

cans are divided and unclear on how to further their cam-paign against the Accord, but a feature of the year has been the eclipse of the more moderate official Unionist Party by its anti-agreement partner, the Democratic partner, the Democratic Unionist Party of the Rev Ian

At present, Unionist and Nationalist politicians are probably as far removed from any all-party discussions on devolved government in the province—a key objective of the superment as they have the agreement—as they have ever been.

Paisley.

ever been.

It is true that Loyalist opposition has not reached the level
of the all-out strike that broke
the Sunningdale power-sharing

The approach is that the Ulster Constabulary by agreement is a marathon, not a sprint, that it will take time—by Protestant paramilitaries of by Protestant paramilitaries of murder and intimidation against Catholics and killings and bombings by the IRA.

As the first anniversary of the signing of the Accord thus far the agreement has approaches on November 15, the British and Irish Governments can claim that their pact is still firmly in operation, an achievement in itself in the class are divided and unclear achievement in itself in the class are divided and unclear to the vibrancy of the city to the vibrancy of the vibrancy of the city to centre.

There has been success in stimulating small business and a revival in the textile and clothing industry, while the state-owned groups Harland and Wolff and Short Bros have both seen improved fortunes. Unemployment has, however, continued its inexorable climb.

The massive injections of

public spending over the past few years have done much to improve the infrastructure to a level that is the envy of many regions of the Republic and to boost a large section of the economy. But if these funds were supposed over time to soften political enmittes, there has not been much evidence of

that lately.



The strategy behind the minority Nationalist community greement was to undermine upon which the IRA feeds for its IRA and Sinn Fein, its support. agreement was to undermine the IRA and Sinn Fein, its political wing, which are regarded in Dublin as just as great a threat to political stability in the Republic as in Northern Ireland or Britain. This was to be achieved by the least for some two Governments co-operating closely on security and formulating measures that would reduce the grievances of the in Northern affairs.

Ultimately, the agreement was to lead to devolved govern-ment in the province in a power-sharing arrangement. The Irish Government put aside, at least for some time, the nationalist aspiration to Irish unity while the British accepted a measure of Irish involvement

Crucially, however, the agree- of the Social Democratic and ment was negotiated over the heads of Unionist politicians whose stubborn opposition to any move which smacked to them of an attempt to loosen

One persuasive assessment of the agreement comes from Mr prompted a fundamental improven Seamus Mallon, deputy leader reassessment of the Unionist security.

Labour Party, the main northern constitutional Nationalist party

which supports the Accord.

He says that the Accord

should be seen on three levels.

Economic Overview Public Spending

Industry Overview Clothing/Textiles

Retail Property Fair Employment Agriculture Tourism Energy

Transport/Communications

**Politics** Banking/Finance Inward Investment Small Businesses

First, it represents the most im-Northern Ireland's ties to the portant advance for northern Nationalists since they were cut off from the rest of Ireland by UK had halted previous initiapartition in 1922. Second, it has prompted a fundamental

position. The third level is that of the specific measures produced by the intergovernmental

duced by the intergovernmental conference, on which he feels progress has been too slow.

But his overriding acid test is the question whether or not Nationalists would like to return to the days before the agreement. The answer must be no, he says. If he is right, then the Accord may have gone some way to achieving the goal of undercutting IRA/Sinn Fein support. Certainly, on his second point. cutting IRA/Sinn Fein support.
Certainly, on his second point, there is evidence that behind the "Ulster says no" intransigence of the Unionist parties, serious rethinking has gone on about new policies for the future, especially as there is a feeling that Britain is now Irreversibly hostile to the Unionist cause. Some, albeit faint, volces have been heard suggesting new constitutional arrangements such as something close to Irish such as something close to Irish

The point that most Unionists would make, however, is that in would make, however, is that in the bid to draw Nationalists deeper into the democratic fold, constitutional Unionism was pushed out into the cold to make way, swapping the alienated minority for an alienated majority and provoking an up-surge in ugly Loyalist street politics.

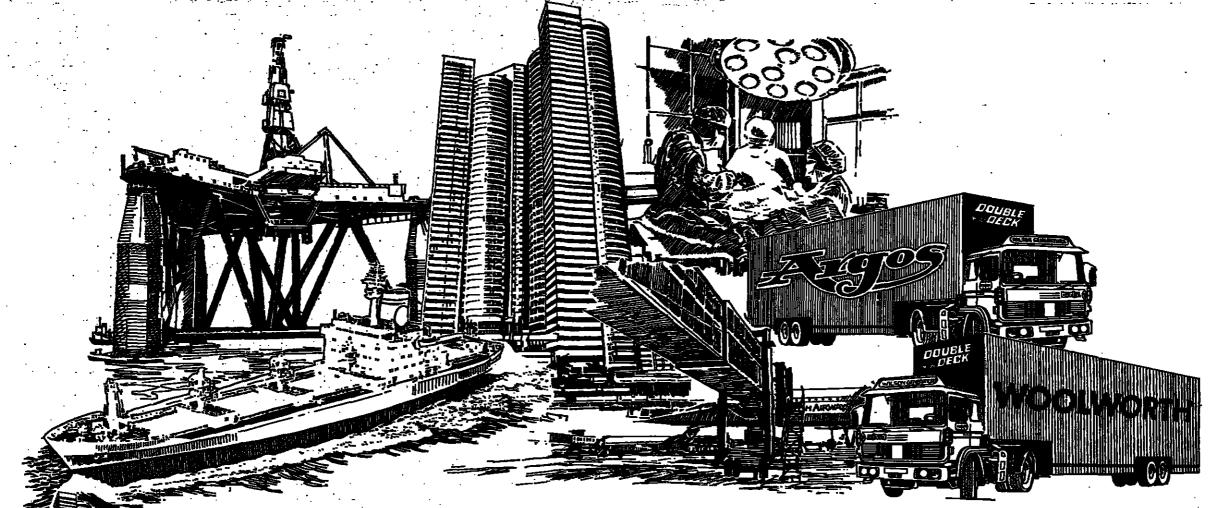
The so far futile attempts by the two governments to draw Unionists into dialogue have not been helped by an unfortu-nate double speak in which the two sides tend to represent the agreement as different things to

different people.

Thus the Irish Government and the SDLP, anxious to reassure Nationalists that the reassure Nationalists that the Accord will benefit them, say that it represents a fundamental shift in Northern Irish affairs. Dublin publicly claims some credit for changes in the North such as new proposals for measures to tackle discrimination against Catholics in employment, new complaints procedures for the RUC, some aspects of RUC and army policy and a decision to demolish the notorious Divis and Rossville shum flats in Catholic parts of Belfast and Londonderry.

Meanwhile in Belfast, Mr King

Meanwhile in Belfast, Mr King takes a different line, telling Unionists that the agreement does not alter the constitutional position of the province, indeed, that it cements it. Most of the borne of the province in the pr above changes are purely British Government decisions, he says. Unionists simply choose to believe the version they fear most—the Irish version. They also scoff at British insistence that the agreement has brought improvements to cross-border

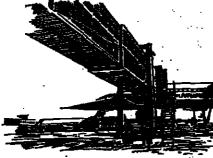


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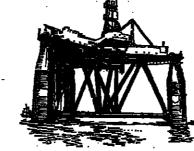
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#### Economic overview

# Better outlook for industry

A GOOD IDEA of the sorry credit and personal lending. state of the economy in N x The explanation, according thern Ireland, which the Euro- ot Mr Michael Smyth. senior pean Commission ranks as the second most improverished of can be gained from the follow-

• Unemployment in the province is running at around 22 per cent. In some areas such as inner Belfast and Strabans. County Tyrone, the level is more than twice that.

 Growth of the labour force is such that annual job creation needs to double just to hole current unemployment rates

who are in a job are employed in the public sector, It is estimated that in industry, annual government support of £220m, in the form of subsidies, grants and other aid, accounts for onethird of wages.

On a 1980 base of 100, the

manufacturing output index last year reached 98, while the construction index was at 72. As if these facts were not enough to have to cope with, the last 12 months have been yet another period of acute political conflict, this time over the Anglo-Irish agreement, which inevitably spilled over

into the economy.

A province wide stoppage in March called by Unionists opposed to the pact sent an apprehensive shiver through the business com munity. Later Irish Republican Army death threats to people working for the security forces and counter-threats by Protesand counter-threats by Protestant groups fuelled serious talk of faltering confidence of faltering confidence and wor-ries about the effect on poten-

tial inward investment.

The recent announcement of a Japanese project helped allay these, but government officials and businessmen alike dread any further politically-inspired industrial disruption.

industrial disruption.

For a first-time visitor to Belfast, these gloomy observations might seem hard to reconcile with the bustle of the city centre. The streets are full of late model cars, shiny bank and building society branches. dozens of the best known British high-street stores and plenty of good restaurants.

downside or inwate in difficulties shut down peripheral rules shut down meripheral industry, which had been strong, was almost wiped out in Northern Ireland by this trend. With political violence and instability also playing a major part in souring the economic climate (and the large agricultural sector facing its own plenty of good restaurants.

These outward signs of prosperity are not an illusion. In the past few years, the retail sector in particular in Northern sector in particular in Netwern Ireland has experienced some-thing of a boom, new car buy-ing has been strong and so has the demand for hire purchase

of Mr Michael Smyth, senior linen industry in particular and economics lecturer at the in the textile and clothing University of Ulster, lies in industry as a whole as local the high level of public sector manufacturers have got to grips support for the local economy with new technology and illustrated above which totals as continued high numbers of as continued high numbers of shopping visitors from the manufacturers have got to grips with new technology and developed more sophisticated marketing techniques.

There has been a good shopping visitors from the number of encouraging shopping visitors from the Republic of Ireland help to

buoy the trend, but the security of income afforded to those in the public sector has created a stability in a section of the local economy which promotes con-"Public spending keeps this place together," says Mr Smyth. The otherwise cost-cutting Conservative Government has not winded the work of the control of the

wielded the are in Northern Ireland, but as the Department of Economic Development in Belfast says, there is no pros-pect of a real further expan-

Thus the Government and its development agencies look to industry for growth opportunities. What, then, is the background to and what are the prospects for industry in Northern Industry

The province built its industrial base on shipbuilding textiles and engineering. Although unemployment in Northern Ireland was always well ahead of UK averages, levels of around 5 per cent in the 1960s now seem impossibly low. At that time, inward investment was supplementing the traditional domestic producers as British and foreign companies set up manufacturing plants locally. By the end of the 1970s, how-

ever, when the recession struck, Northern Ireland found itself particularly vulnerable. Shipbuilding the linen industry and other local stalwarts contracted dramatically and the province found itself facing the downside of inward investment as outside companies in diffi

tural sector facing its own difficulties), the effect was a decline in manufacturing ployment from more than 170,000 in 1974 to less than 100.000 in 1986. Since the darkest days of the

mered in the tunnel. There has been a significant revival in the

successes among new small businesses operating in areas as diverse as electronics and addedvalue food processing. Even the great state-owned giants of industrial Belfast, shipbuilders Harland and Wolff and aircraftmakers Short Brothers have shown some improvements,

The prospect of commercial exploitation of lignite deposits around Lough Neagh also gives hope on the energy front.

Broadly speaking, strategies for reinvigorating the Northern Iroland account divide into Ireland economy divide into those which emphasise the role of the private sector, very much

Transport and General Workers Union, wrote in a recent paper adopted by his union that there was a need for the public sector to play a greater role as an Industrial Development Board pursuing equity investment in

the private sector.
In this way the board would negotiate "enterprise planning agreements" with employers and trade unions covering every aspect of operations and taking account of social cost-benefits. As a producer, the public sector would play a larger role by, for example, taking full

control of services such as trans-port and extending public enterprise in the production of goods for public bodies Mr Freeman picked up on a recent suggestion that manufacturing industry is in such a poor state that the public sector must carry the burden of combating unemployment in the short term while it backs a 10-year reindustrialisathe Government's approach, and tion plan based on small to those which advocate public medium-sized firms in selected sector-guided, long-term plan-sectors such as textiles and

**Output trends** 

PRODUCTION AND MANUFACTURING

Percentage change on previous period 1982	Produc- tion +1.8 +3.6	Manufac- turing +0.2 +2.9	Produc- tion -4 -1	Manufac- turing 4 +3
1984	+1.3	+3.9 +2.9	+3 +2	+2 +2
1985	+4.7 +2.8	+2.5	<b>+1</b>	+2
2nd quarter	+1.9	+0.8 -0.2	+2 -2	+1 -2
3rd quarter 4th quarter	+0.1	-0.2	+1	+2
1986 1st quarter	+0.5	-1.3	9	9

Source: CSO. Monthly Digest of Statistics Department of Economic Development North

From Coopers and Lybrand's Northern Ireland Econ Mid-Year Review.

This approach contrasts with the prevailing trend on the gov-ernment side. The Department of Economic Development has produced an assessment which identified six areas which should be tackled to help promote growth through the private sector. The first three points mesh with some of the broad aims of the IDB, namely promoting "enterprise culture," improving local competitiveness by en-couraging and retaining better management and marketing shills and working to ensure the peripherally-located pro-vince keeps in touch with all

The fourth and fifth points

focus on the need to improve the balance between the public and private sectors, partly by rexamining the way public funds are spent It is the sixth point which comes back to the fundamental

weakness of the political un-certainty of Northern Ireland. Everyone is agreed that until that is resolved, the economy will not reach its full potential.

Hugh Carnegy

- N. IRELAND -

Public spending

	1980-81 outturn £m	1981-82 outfurn £m	1982-83 outturn £m	1983-84 outturn £m	1984-85 cutturn £m	?985-86 em.'mated out!urn £m	1986-87 plans £m	1987-88 plans £m	1988-89 plans £m
forthern Ireland Office Law, order and protective services	308	339	256	372	401	435	464	476	490
Total Northern Ireland Office	308	339	356	372	401	435	464	470	490
Verthern Ireland Departments Agriculture, fisheries, food and forestry Industry, energy, trade and employment Transport Housing Other environmental services Law, order and protective services Education and science, arts and libraries Health and personal social services Social security Other public services Common services	53 338 120 239 122 16 458 484 716 16 18	56 359 125 214 129 12 499 546 865 16	68 347 111 284 140 14 534 589 995 19	76 357 123 315 153 15 564 1,084 20 29	78 403 122 337 158 18 591 666 1,172 23	79 417 122 357 164 20 628 790 1,282 25 41	82 465 120 355 173 21 666 738 1,361 30 45	90 460 120 360 170 20 880 770 1,450 30 50	90 469 136 360 170 20 709 809 1,519 36 50
Total Northern Ireland Departments	. 2,574	2,864	3,124	3,368	3,599	3,835	4,057	4,210	4,329
otal Northern Ireland	2,882	3,203	3,480	3,740	4,000	4,270	4,521	4,680	4,810

Public spending

# Appetite keeps on growing

be cut off without a penny. In recent months, the Protestant community's overwhelming rejection of the Anglo-Irish agreement and talk in some Loyalist circles of opting for an independent Ulster has given the question fresh impetus.

the question fresh impetus.

The short answer is that the subsidy at present is a large one. It works out at a cash transfer of some £1.5bn out of a total public expenditure in 1985-86 of £4.5bn. This figure is arrived at by subtracting the tax revenue raised in Northern Ireland from the total amount of public spending in the proof public spending in the pro-

of public spending in the province.

Put in another way, total public expenditure in Northern ireland currently works out at £2,700 per person or £8,700 per household, 36 per cent of which comes from the UK Exchequer.

When measured in terms of the degree of dependence, the importance is public spending is even greater. A recent study the total spend.

The cost of "law, order, and protective services" — over 10 per cent of the total—is another exceptionally large item. But it reflects the Government's policy of shifting the main burden of the degree of dependence, the importance is public spending is even greater.

devolved parliament and administration. Although there is presently no parliament or assembly, the devolved administration re-mains and public expenditure is still centred upon a Northern Ireland Consolidated Fund

1970s, the province had its own

Ireland Consolidated Fund which balances the revenue raised to finance the government departments in the province with "grant-in-aid" from the UK Exchequer.

The UK Exchequer's subvention of £1.53bm in 1985-86 breaks down into £955m to support the activities and level of services of Northern Ireland Government departments. Government departments; £437m on law, order and pro-tective services under the jurisdiction of the Northern Ire-land Office, the biggest items being the Royal Ulster Constabulary's grant and the cost of the prisons administration; some £13m for the Northern Ireland Courts Service; £58m on Ministry of Agriculture sup-

TO WHAT extent is Northern are the extra cost of the army's purse than elsewhere, the prosinits, the recent priorities of the United Kingdom? It is a put at £135m in 1985-86, and question which is sometimes receipts from EEC funds and asked out of more than academic interest. The view can be heard in mainland Britain that unless the people of the province settle their differences peaceably, they should be provined as the extra cost of the army's purse than elsewhere, the prosince has not been insulated from the disciplines and strictures applied generally to the great have been, first, law and order, second, industrial development and, third, housing.

The present high level of Ministers have insisted that the prosince settle their differences peaceably, they should be extra cost of the army's purse than elsewhere, the prosince has not been insulated taid down by successive Secretories of State for the spending tures applied generally to the Government.

Government.

Ministers have insisted that order, second, industrial development and, third, housing.

The net result is that Northern Ireland's public expending tures applied generally to the great have been, first, law and order, second, industrial development and the province settle their differences peaceably, they should be a subscription of the province settle their differences peaceably, they should be a subscription of the extra cost of the army's purse than elsewhere, the province settle for the great priorities that of the disciplines and strictures applied generally to the disciplines and str the mid-1970s, tax revenue and public expenditure remained broadly within reach of each other. The picture has changed in recent years mainly because of the sharp decline in manu-facturing employment in the

province. This has had the effect of sharply increasing the level of unemployment and consequently the level of public exquently the level of public ex-penditure on social security. Five years ago, spending under this heading was already high at 24 per cent of total public expenditure. Yet today, it is even higher at 30 per cent of the total spend.

The cost of "law, order, and protective services" — over 10 per cent of the total—is another exceptionally large item. But it

the degree of dependence, the importance is public spending is it is Northern Ireland's budget rather than the Ministry of Degree of public expenditure in the province by the Belfast office of that in other circumstances of which carries the bulk of that in the province is itself generated by public spending. It calculates that public expenditure dependency, expressed as a percentage of Northern Ireland's GDP is around 73 per cent. In short, the official "subvention" from the UK Exchequer underestimates the true dependency of the Northern Ireland economy upon external support.

In contrast to the other nations and regions of the UK, the net transfers of public funds to and from Northern Ireland to and from Northern Ireland to identify because, until the early 1970s, the province had its own the Central Electricity Generatives.

cross-subsidisation also exists in Britain, only it is hidden within the Central Electricity Generating Board accounting and distribution system. It does not appear, as in Northern Ireland, in the public expenditure figures for particular regions.

Beyond these qualifications, there is the whole question of what is public and private exwhat is public and private ex-penditure in view of the Government's privatisation drive in shifting whole slabs of the economy from one sector to an-

There is, however, no escaping the vital importance of public expenditure for the Northern Ireland economy. During the 1970s, it was the main generator of growth. It helped compensate for the sharp erosion of manufacturing

Since then, the tightening re-straints imposed by the present motor and the province's narrow manufacturing base, severely weakened by the re-cession, has been in no position on Ministry of Agriculture support schemes; and finally a
£60m contribution from the GB
National Insurance Fund.
Not included in the
Exchequer subvention figure

To replace it.

Although there are policies being applied in Northern Ireland which involve more generous provision from the public

which have led to cuts and closures in public services in other parts of the UK. In health authorities, for example, the financial difficulties, and pressures to privatise, have triggered the same kind of protest actions by health service trade unions seen in Britain. The government mechine itself has government machine itself has been subject to efficiency drives. In theory, a Secretary of State for Northern Ireland is free to spend the public expenditure block grant negotiated with the

Treasury each year as he or she wishes. In practice, there is very limited room for The watchword is parity. Since Northern Ireland is part of the UK and the taxation is the same then, the argument goes, the benefits and services must also be kept broadly in line with Britain's. Hence there

areas needs were given priority. is no question, for example, of reducing social security benefits in order to increase, say, indus-trial investment incentives. Beyond these very real re-

Looking to the future, on any normal criteria, Northern Ireland's appetite for public spending is likely to grow rather than diminish. Robin Reeves

example, is presently way ahead of that in other parts of the UK.

being spent on roads and transport is lower than elsewhere. But this is because the transport

infrastructure was given priority during the 1970s— which leads on to another signi-

ficant point in looking at levels of public expenditure in parti-cular years.

Within the UK, a unitary

within the UK, a unitary state, priorities for demands upon the public purse are ultimately fixed by the Treasury. As a result, this decade's high expenditure in certain regions can reflect low expenditure in the previous decade when other areas?

On the other hand the amount

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Banking/Finance

# Personal sector gives scope for expansion

WITH THE Trustee Savings international transfers, trust Bank sitting on the proceeds of its recent flotation and building "In the personal sector we banks are facing unprecedented

Add in other factors such as the growing number of big re-tail outlets offering their own in-house credit services and the all financial services." buoyancy of consumer spending be overcome, from the banks' compared with a flat corporate point of view, is restrictions on sector and it becomes clear why their operations caused by work the four major clearing banks practice agreements with the Morthern Bank and Ulster Irish Bank Officials Association Bank, respectively the Irish subsidiaries of Midland and Nat-West, the Bank of Ireland and Allied Irish Bank—spend much Republic. Negotiations with the of their efforts on the personal IBOA are still in train to get Allied Irish Bank-spend much

age disposable income in the province is around 15 per cent less than in Britain, family savings ratios are, on average, higher.

higher.

A significantly lower proportion of people in Northern Ireland have bank current accounts compared with the rest of the UK, giving the banks a target to aim for, while proportionately more people place their savings with banks rather than building societies, giving the building societies something to aim for.

On average, the rate of personal borrowings is lower, suggesting room for growth for both types of institution. And the demography of the province, where a high proportion of the population is under 30, gives the banks and building societies long-term growth opportunities.

In recent years, the big new enterprises, where the best british building societies have hope of economic growth lies. expanded in the Northern Ireland market much along the TSB — now have small business

money transfer services.

The TSB, with 56 branches the Bank of Ireland's sman business competition.

All the banks report that demand is slack from the corporate sector. "We have plenty Ulster Bank in the number of money to lend," is a typical comment. There are occasional miticisms to be heard from the years has expanded into the corporate side to challenge the banks there as well, making the clearers nervous of how the

directing greater efforts into marketing and sales. "Customer friendly" refurbishment of branches has included spending of flm by the Bank of Ireland on its main hypothesis I and a reflected in their averagionase.

savings schemes and competitive to London which means a bank savings schemes and competitive like itself relies heavily on its on the wide range of specialist facilities they can offer compared to their rivals, such as

their services further when new still because of increased competition," said Mr Billy Price. an assistant general manager at Northern Bank, the pro-vince's biggest. "If banking is going to survive as we would like, we must be able to sell

One obstacle which needs trade union which operat both Northern Ireland and the banking sector.

Some features of the personal market in Northern Ireland underline why it attracts the most attention. Although sverage dispossible income in the section of the personal function and other products currently not handled by the IBOA.

These restrictions do not face the building societies or even the TSB, which operates dif-ferent agreements with the

This concentration on the personal sector has been under-pinned by the trend which has seen consumer spending surge in the past few years with a consequent boom for retailers, an increase in demand for per-sonal finance and, for example, high levels of new car registra-tions. But the banks have not ignored the corporate sector.

The main feature here since the recession gripped the prosending manufacturing employ-ment tumbling by a third to less than 100,000, has been a shift away from facilities from major outside companies with local plants, many of which have closed, towards smaller local businesses, many of them new enterprises, where the best

Ireland market much along the lines they have at home with more flexible account services and facilities such as automated teller machines (ATMs). Under the Building Societies Act, from next January they will be able to offer secured and unsecured personal lending, insurance and estate agency-linked propersonal lending, insurance and estate agency-linked products and, ultimately, enhanced money transfer services.

The TSB, with 56 branches

Development Unit, and other development agencies. Typically, they have extensive advisory literature and schemes such as the Bank of Ireland's small

criticisms to be heard from the business community that the corporate side to challenge the business community that the banks there as well, making the clearers nervous of how the TSB will use the new resources available to it.

The banks are meeting this competition by concentrating on technological advance and by directing spacetar afforts into get on because of lack of

on its main branch in London-derry.

At this time of year especially have reduced their activities in At this time of year especially, elaborate (and expensive) promotional campaigns are mounted to attract students. The banks offer high interest savings schemes and compatitive to London which means a bank that the state of the companies of the

#### **Politics**

# Accord leaves the great divide unchanged

EVERYTHING in politics in Northern Ireland ultimately reduces to the issue of partition. With few exceptions, matters which elsewhere might be contested in terms of left and right. Socialist and conservative, are subsumed into the province's essential division between Unionists—the predominantly Protestant majority—who want Northern Ireland to remain part of the United Kingdom and Nationalists—the mainly Rowan Catholic minority—who aspire to unity with the Irish Republic.

Some months before the agreement was signed, the OUP

so it is that over the last year issues such as Northern Ireland's wretchedly high uneuployment rate and its limping economy have been over shadowed by the Anglo-Irish agreement, the attempt by the British and high Governments to resolve the historical host?!!-ties which have festered withir the province since it was the province since it was separated from the rest of Ireland in 1922.

On both sides of the fence. the picture, 12 months after

he agreement was signed. It oth unchanged and uncertain. On the Unit hist side, the two main unionist groups, the official Unionist Party and the Democratic Unionist Party, are unchanged in their implacable opposition to the Accord yet are uncertain and divided on how

Some months before the agreement was signed, the OUP and DUP put aside past differences and formed a united front against any such accord, which was negotiated over their heads and which they regarded as a clear step towards a united Ireland.

Their pact survives but the differences in style and approach between the tradition approach between the fraction ally middle-class, staid Official Unionists, led by Mr James Molyneaux, and the Rev Ian Paisley's more extreme DUP are such that they have acted less

such that they have acted less and less in harmony.

Their campaign against the agreement started impressively with a huge and peaceful demonstration in Belfast. When the British Government took no notice, the 15 Unionist Members of Parliament resigned their seats and forced simultaneous



Mr James Molyneaux, of OUP and (right) Mr Peter Robinson of the DUP. Both are implacably opposed to the Accord.

by-elections in what they styled Unionists struggled to find a a referendum on the Accord. way forward against the The elections again demonstrated that the mass of Unionists were against the agreement, with Unionists candidates winning more than candidates winning more than 400,000 votes. But the result lacked some conviction, partly because the mass of Nationalist voters stayed at home and partly because in one of the few constituencies where Nationalist candidates did stand, the Unionists lost a seat to Mr Seamus Mallon, deputy leader of the SDLP.

After the by-elections, as the

Unionists struggled to find a way forward against the Government's refusal to compromise, their campaign began to fray and inherent differences between the OUP and DUP came to the surface.

Mr Molyneaux and Mr Paisley held talks in late February with Mrs Thatcher which initially anceared to break the impasse.

mrs Inatener which implasty appeared to break the impasse. But within hours outraged hardliners in both parties, notably Mr Peter Robinson, Mr Paisley's deputy, forced them to repudiate further talks so long as the agreement stood and increase the Tripopiets hold a instead the Unionists held a Westminster, but because it

province-wide work stoppage on March 3. This deteriorated into a squall

of street violence. From then on through the annual summer through the annual summer season of commemorative Protestant street parades the OUP, diverted by an internal debate over whether to pursue integration with Britain or devolved government, stood increasingly aside and silent as the younger, less squeamish DUP rank and file made the running.

One certain feature of all this

One certain feature of all this One certain feature of all this was the emergence of Mr Robinson as heir-apparent to Mr Paisley as champion of hardline unionism, culminating in his arrest and arraignment in the Republic on serious charges arising out of a loyalist "invasion" of a village across the border in August.

The drift of Unionist politics onto the street was underlined

onto the street was underlined by the OUP-DUP tactics of boycouncils they control and by the closure by an exasperated Government of the Northern Ireland Assembly, which by the summer only the Unionists

Across the divide, the SDLP were buoyed by the election of Mr Mallon in the border con-stituency of Newry and stituency Armagh, not just because it doubled their representation at

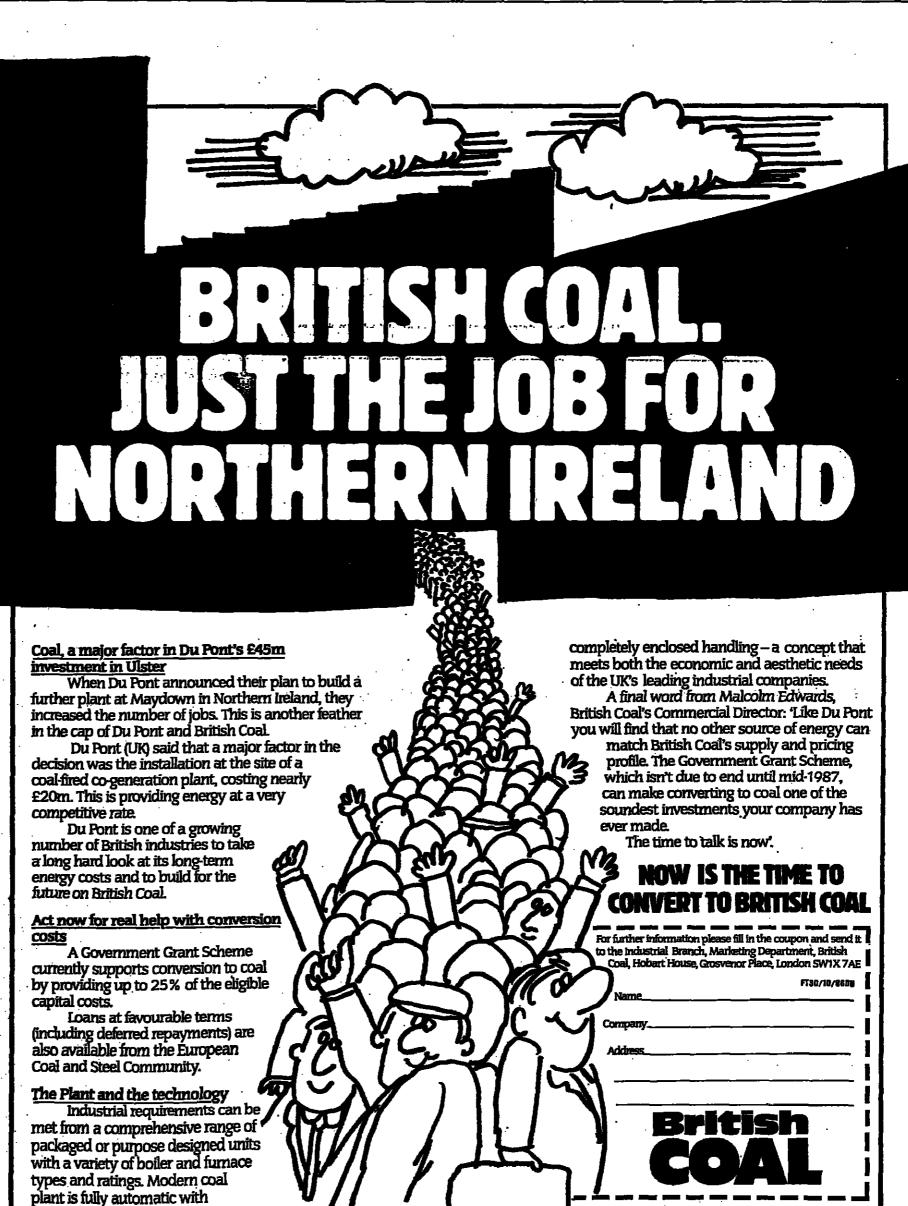
owed much to a swing from Sinn Fein, which in previous elections had polled around 40 per cent of the Nationalist vote.

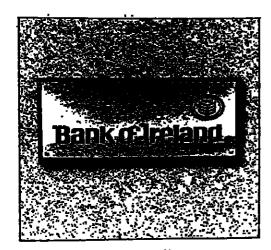
The SDLP is committed to a power-sharing devolved Government in Northern Ireland, but with the Unionists refusing to bite on this carrot as long as the agreement exists, its main policy plank is the

It is therefore crucial to the party whether, since the initial signs in January, Nationalists have responded positively to the pact as the SDLP and the Irish Government claim, or whether Sinn Fein's insistence that Nationalists see nothing in the agreement except a greater threat of attack by incensed Loyalists will prove more accurate.

Any voter seeking to transcend the traditional divide in Northern Ireland politics has the choice of the non-sectarian Alliance Party. But, underscoring the old imperatives, this has been a thankless year for has been a thankless year for the party. It was unenthusiastic about the agreement, but urged people to give it a chance. In the January elections its already marginal support slipped and with the demise of the assembly it lost its most valuable outlet.

Hugh Carnegy





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**Inward Investment** 

# IDB shakeup redefines new target areas

Irish businessman's description

is never suggested that these volves risk and there have been places are totally unsuitable for pressures to gamble on projects corporate investment, perhaps because they have other, more powerful images. On the other hand, Northern Ireland is rarely in the news except as a without jobs in some communi-

rarely in the news except as a result of violent incidents.

The IDB freely admits that it has a major image barrier to overcome. "A lot of highly professional agencies are in the hunt for internationally-mobile investment projects and we start with our legs tied together,"

without jobs in some communities).

Nowhere else in the UK offers such generous assistance to a company with an inward investment project. It is not just a matter of a financial injuriest control of the cost of a project c

investors that companies in aspect of setting up a business Northern Ireland operate profit-venture in a new location.

the IDB's catch-phrase and it foreign companies to get estab-is able to marshal an impressibled. It has seconded an is able to marshal an impressive array of them, showing the province's record of industrial innovation stretching back almost a century as well as its stake in new sectors of the economy.

Although the recession has taken its toll of some once well-known large local employers such as Countailly it won't surceed anywhere. But

Although the recession has taken its toll of some once well-known large local employers, such as Courtaulds, it won't succeed in Northern Ireland, ployers, such as Courtaulds, it won't succeed in Northern Ireland still has 13? large manufacturing companies of British and overseas origin employing between them 37,000 Lorean car project and its subsequent spectagular collarses.

"I DON'T envy them their job. as Du Pont which arrived 20 It is like trying to sell tights years ago, since when it has to mermaids." This was one undertaken seven major investment programmes and today, despite the recession, still of the inward investment role of the Industrial Development Board for Northern Ireland (IDB) and it is difficult to disagree.

It is a very unfair world.

It is a very unfair world.

There is also a significant presence of European companies from Belgium, France, the Netherlands and West Germany.

But the IDB also has to avoid, to its anxiety to bring new jobs

numerous bomb attacks in the in its anxiety to bring new jobs past two decades. Many famous to the province, rushing in to past two decades. Many famous to the province, rushing in to American cities are wrestling support unfeasible projects, with a drugs epidemic. But it Most industrial investment in-

as one put it.

The main thrust of the IDB's the 40 per cent maximum elsepromotional effort is to demonstrate to potential inward ability of help with every other

ably and very successfully in spite of the provinces political problems."

The Belfast arm of Industrial Training Services, a London-based consultancy, has made a specialty of helping incoming

people. sequent speciacular collapse — A total of 24 are American, to name the most infamous mong them such famous names example — will ruefully tagfife

The IDB itself is a recent in-novation, It was formed in 1982 to beef up Northern Ireland's whole economic development effort by merging the functions of the N. I. Development Agency, and the Department of Commerce, and the contribution made by the private sector under the umbrella of the Department Development.

With the level of unemployment rising rapidly under the impact of the recession, the Government felt that the creation of this single agency with straight line access to the British Cabinet via the Secretary of State for Northern Ireland, would give Northern Ireland economic promotion effort a charper cutting edge.

The result is an economic de-

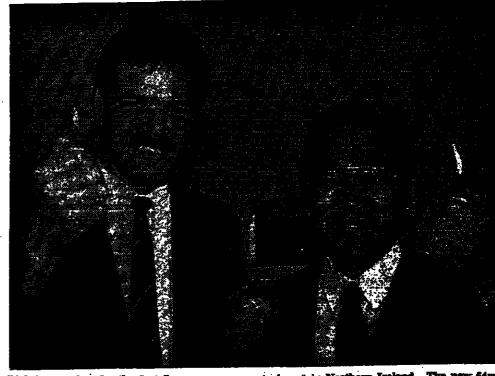
velopment agency which, though part of the government machinery in Northern Ireland, is run by a board of 12 appointed from the private sector by the Secretary of State. It also makes a point of having a good sprink-ling of seconded businessmen moving in and out of its departments, so as to keep its finger on the pulse of current business

Interestingly too, the new board rapidly concluded that, however successful its efforts. inward investment wa not going to arrive in sufficient quantities to make a dramatic impression on the province's economy's problems — the vol-ume of internationally mobile investment projects simply did not exist.

As a result, the IDB is now assistance such at marketing aid devoting some 80 per cent of its £130m a year budget on activities designed to safeguard Northern Ireland's existing industries, including the foreignowned companies already established in the province, and even productive capacity.

All that said, the IDB is equally well aware that inward executive capacity.

It sees this approach as offer-



Lighting up time for the first Japanese company to invest in Northern Ireland. The new £4m plant by Iwax Inc will manufacture 120,000 disposable lighters per day and employ 120. Above is (left to right), Mr Patrick McCauley, general manager of Iwax (UK) Ltd and Mr Iwahori, president of the parent company Iwax Inc

ing the best hope of halting and hopefully eventually reversing what has been, because of the recession and new technology, a dramatic drop in the province's manufacturing employment, from a peak of 170,000 in 1974 to less than 100,000 today.

The agency's medium term strategy covering the period 1985-90 has introduced a proactive "company development" strategy. Resources are being concentrated upon industrial sectors with the best chances of creating continuing employment opportunities and on trying to build on existing skills and centres of excellence.

The IDB's budget is also being spent on new forms of

encouraging them to expand, investment, as well as creating wherever this is possible or ap new jobs, bring new skills, state of the art technology, and new products and markets

which help to strengthen and diversify the industrial base. It would therefore be wrong for anyone to gain the impression that Northern Ireland is no longer competing so fiercely for internationally-mobile indus-trial investment. Far from it. Although an arrangement whereby the IDB provided vice

whereby the 1DB provided vice consuls for the British consulates of many leading North American cities has been wound up, the 1DB is retaining offices in New York and San Francisco, and a presence in Boston. Cleveland and Chicago and Los Angeles Similarly, while IDB n.s. longer has its own presence in Holland, France and Switzerland, it is still maintaining representation in Belgium and Gor-many and, in the past year, has beefed up its presence in Lon-

on. One of the reasons for the one of the reasons for the shakeup is in order to concentrate resources where the returns are likely to be most rewarding, notably in the Far East. Additional staff have been appointed to the office in Tokyo and a new presence has been

established in Hong Kong. The Pacific Rim economies are clearly so important potential source of inward investment in

the future.

There is also something to build on. Hearteningly for all build on, Hearteningly for all concerned, the DB recently secured its first Japanese inward investment project. Iwax has established a plant at Ballymoney to make disposable cigarette lighters. Beyond that, the IDB has also signed an agreement with Sumimoto Trust and Beaking Company of Japanese. and Banking Company of Japan to promote business co-opera-tion between Northern Ireland

and Japan.
Last week it was announced that Canyon Corporation, a Japanese manufacturer of mist sprayers, is to build a £4m factory in Northern Ireland which will employ 113. Mr Teisuia Tada, president,

signed an agreement with the Northern Ireland Industrial Development Board which will building of the factory at Mallusk, near Belfast.

Robin Reeves

Small Businesses

# More grants and loans given

THE BUDGET of Northern of a vigorous independent (IDB) which also looks after small business sector.

Development Unit, better known locally as LEDU, has been tripled over the past four years to £22m. It has also just received approval for a 25 per cent increase in its staffing.

Of a vigorous independent (IDB) which also looks after inward investment.

Mr Mackey, stresses that ment via LEDU to launch these enterprise companies, has dependence on large employers department nor a quango, but to wards an enterprise culture," a company limited by guarantic to the businessmen, in the parliament. It has 30 share holders appointed by the Section of these enterprise companies.

These enterprise cent funding from the Government inward investment.

Mr Mackey, stresses that mobilised the valuntary energies of some 300 people, many contained by guarantic task of assisting new small business sector.

This is just one measure of This is just one measure of the importance which the Government now attaches to the development of small businesses as a means of tackling Cosira, dedicated to developing one of the main weaknesses of

So too is the University of Ulsier's Northern Ireland Small Business Institute which has been forging new links between the business community and the academic world with the same end in view.

organisation's task.

with the same end in view.

Northern Ireland has disproportionately fewer small businesses than the average for the sible for promoting employuK as a whole. Traditionally, ment in small businesses it has been an economy of big, and for many decades cosy, enterprises like textiles and businesses with up to 50 shipbuilding. The local employees, Anything larger is market's small size has also not the responsibility of the shipbuilding. The local employees, Anything larger is market's small size has also not the responsibility of the been conducive to the growth Industrial Development Board

Cosira, dedicated to developing job opportunities in the predominantity rural west and south west of the province. (There were complaints at the time that most of the inward investment was being directed to the east of the province around Belfast and County Antrim.)

Some 1,500 small businesses a and charging for their success that LEDU has so far businesses, assisted through an extremely any request for funding.

Nisbi has also been out and unique to Northern Ireland. It provides help to buy tools and machinery and lease premises.

Even so, LEDU's support is throughout the province, with the help of funding from the private sector. A heartening unique to Northern Ireland. It provides help to buy tools and machinery and lease premises. Even so, LEDU's support is highly selective. "We receive 1,200 inquiries a month, so we are helping less than 10 per cent," Mr Mackey notes.

But the results, in terms of new jobs, are valuable. In 1983-84, it backed businesses promising 3,500 new jobs, in 1984-85 4,900, last year 3,900 and this year the number is heading towards 4,200.

The survival rate of the businesses which LEDU agrees to support is 75 per cent and the actual cost, in terms of public expenditure, averages out at £5,500 per job, the average life of each job being about seven years.

Choosing which small businesses to support. Mr Mackey admits, can be tricky. Because Northern Ireland is such a small market, local businesses do sometimes complain that LEDU is simply setting. ting up a competitor with financial assistance which

gives the new entrant an unfair advantage.

An example was LEDU's sup-port, despite protests, for a new company entering the local market for corrosion protec-tion. "We acknowledged that market for corrosion proces-tion. "We acknowledged that it might take some work from existing local companies but it was mainly aiming at repatriat-ing business which was going to England.
. "We feel justified in our

decision because there are now

Mackey explains.

That said, LEDU approaches new business schemes based upon substituting for imports from Britain cautiously, not least because, as Mr Mackey points out, they involve focusing inwards on a very small market. Indeed, the case for "import substitution" in a local rural economy, for services presently coming from businesses and to assist in their creation.

This is the thinking behind Nishi's Boston project, a US-Lish joint venture being initiated by Dr Mageean which will enable aspiring entrepreneurs to spend a year in the usual points of the case for "import substitution" in a local rural economy, for services presently coming from experience in a company in the

of 35 enterprise companies experience is better than a throughout the province which whole host of grants, Dr have been the local equivalent Magecan adds. of local enterprise agencies. The availability of 50 per

retary of State because of their interest in business.

As a result of its expanded brief, LEDU is now supporting some 1,500 small businesses a year with grant and loan year with grant and loan sections and advice. About

private sector. A heartening number of those who have completed the course—one day's training a week for 12 weeks -have then gone ahead and created their own job.

created their own job.

Dr Vincent Mageean, who joined the institute as its first director when it was founded two years ago, after a long career in industrial management, says that the province needs a cultural transplant as far as its business life is concerned. cerned.

"The two critical elements in creation of any new business are the product or service idea and the personal drive and they come from the culture. Unlike other facets, they can never he bought." be bought."
Nishi has been carefully

structured to provide an un-usual organic link between usual organic link between university, industry and commerce, and the wider community. Though an academic institution, it has a seperate financial entity and an executive governing committee which includes businessmen and Department of Economic Development civil servants, as well as academics. well as academics.
In developing the role of the institute, Dr Magecan has con-centrated effort in two princi-pal directions. One has been to make up for the relative

Norther

nglect of small businesses in the field of management educadecision because there are now a greater number employed in corrosion protection and local industry has more choice," Mr Mackay explains.

That said, LEDU approaches

vices presently coming from experience in a company in the Belfast, can often be stronger Boston area.

The accepts that some selected He accepts that some selected

than substituting for mainland imports.

Because of the lack of power and resources in the hands of local government in Northern Ireland, LEDU has also played a key role in creating a network of 35 enterprise companies which the presence is better than a whole host of grants. Dr

**Robin Reeves** 



A relative newcomer to Northern Ireland, AVX Corporation

# of the US, is expanding production of ceramic capacitors three wishes for success.

deal site that offers all the ing ed may not have been your first thought but, FREEZONE NORTHERN RIELAND should be your first choice.

FINANCIAL MOTIVATION. Through the Industrial Development Board, setting up in Freezone Northern Ireland offers some special advantages over and above the customs benefits applied to Freezone operations. These are hard to resist

when you consider the range of financial and tax incentives. A recent survey judged them to be amongst the best in Europe. Northern Ireland also rates as one of the countries where companies obtain their fastest pay-back of

For example, here are some of the negotiable

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★ Factory Building Costs - Up to 50% grant

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★ Machinery and Equipment Costs - Up to 50% grant ★ Research and Development ~ 40-50% grant

assistance are also available in the areas of ● Employment ● Interest Relief Management Incentives
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LOCATION The location of Freezone Northern Ireland at Belfast International Airport has exciting potential. The 63 acre Freeport site is located within the Airport complex

road as well as internal

access from the aircraft movements area and planned Freight Village. The first phase of development encompassing some 90,000 square feet of buildings, is already utilised or under offer. The next phase of development - the construction of further speculative buildings - is currently being

The basic structure for central services, including customs, has been installed and is geared towards the eventual provision of 24 hour-a-day/7 days per week operation.

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Mr. F. McClessekus

**Industry Overview** 

# **Energetic pursuit of** new markets

THERE'S NOTHING like a Royal visit to drum up trade for Britain, particularly in the People's Republic of China. As the Queen made her historic tour helping to open wider China's doors to western business, a small group of Northern Ireland's industrialists were close on her tail.

It was a sign of how the province is increasingly showing itself capable of capitalising on world market opportunities THERE'S NOTHING like

world market opportunities and, more than that, how it has realised that timing and target-ing rather than a broad-brush approach are vital to sales.

Chins is a vast and difficult market, so the timing of the first ever mission there run by the Northern Ireland Industrial Development Board (IDB) was crucial. Within days of the Queen visiting Shanghai and Beiling, five Northern Ireland. companies followed to cash in on the promotion of Sino-

the mission members were carefully selected to match some of the requirements of China's current five-year plan. They included Norbrook Laboratories, makers of vetinerary pharmaceuticals; James Mackie, the textile maphings and Civ. machinery producers; and Circuits and Systems Design, a small company winning world orders for microelectronic equipment which monitors and locates faults in electricity

number of well-supported missions abroad which are designed to open up new markets. For the IDB, in its effort to promote new markets are the IDB, in its effort to promote new manufacturing tobs. mote new manufacturing jobs. persuading companies to adopt a proper marketing strategy and

persuading companies to adopt a proper marketing strategy and to find new customers is vital. Each \$40,000 worth of business won abroad is roughly equivalent to a job at home, whether it is created or maintained, the IDB says.

The decline in manufacturing employment has been sharp, from around 120,000 in 1981 to just over 98,000 today, and the trend shows no sign of reversing. Man-made fibres, already dealt severe blows this year saw the loss of another plant, the Italian-owned Montehre factory at Coleraine, with 250 redundancies. Engineering, too-is shedding labour fibrough plant closures.

Two devastating decisions affected the tobacco sector. Rothmans has shut its plant at Carrickfergus near Beliast with 800 job losses and 700 more will go when Gallaher closes its factory in the city itself. The

Carrickfergus near Benast with as sometimes in an average with the ever-mount-go when Gallaher closes its ing losses of British Ships ing losses of British Ships in a sometimes in the second state of the second s latter company was founded in Northern Ireland and is today a major employer. In August the company decided to close its Belfast facility which employs 1,150 and to concentrate production at its second plant near Ballymena. About 400 jobs, including important research posts, will be transferred there, boosting the labour force to 1,900, but 700 jobs will be

lost altogether. Mr Peter Wilson, chief executive of Gallaher Tobacco (UK), insists there is no lack of commitment to Northern

"We are not switching any employment out of the province. Indeed, what we are doing is to reduce overheads and improve efficiency and thus protect jobs here for the future. In addition we are in received. In addition we are in positive discussions with the IDB about assistance towards a new re-search and development facility

at Ballymens," he says.

More efficient production techniques and the evolution of leaner operations have contributed to the overall fall in tributed to the overall fall in manufacturing employment. With foreign investment still difficult to attract, the IDB has therefore seen mileage in encouraging companies to make use of their new-found competitiveness by paying much closer attention to marketing. Government assistance towards marketing costs has been wards marketing costs has been fine-tuned in order to persuade firms to develop a step-by-step approach and to integrate fully

Industry and Market sector OUTPUT TRENDS

	Percen	tage ch	ange en po 	revious	perio 1986
Sector Industry		Q1			Qi
Engineering and vehicles	+8.	+6 +2	0 +4	-4	-2 +4
Drink and Tobacco		+8	+1 -13	+10	+5
Textiles	-2. +6		0 +1 +8 -1		~-€
Mineral products	-2	, <del>B</del>	+1 0	-3	
Consumer goods	+2	+1	+4 -7		
Intermediate goods	0. +8	- 0 -+4	+1 -1	-5	+2 -3

for major aircraft builders such

as Boeing and Fokker and is a recognised specialist in jet engine "podding."

big employers are carefully watched as a guide to manufac-turing, other developments in

companies not so large are helping to create jobs. F. G.

for the printing industry, won the £10,000 top prize in a business contest, sponsored inci-dentally by Gallaher.

announced a £10.7m package of

Northern Ireland Secretary, that the industry's representations would be taken into account when public spending allocations for next year are worked

Some companies, especially those who have secured contracts outside Northern Ireland, have fared relatively better. For example, the Rotary Group of Belfast, specialists in environmental engineering, have built up a strong overseas portfolio. In conjunction with companies such as Tarmac and Baxter Fell it has won contracts worth \$20m.

it has won contracts worth £20m to provide services in Algerian

Alan Watson

Newry, Co Down.

marketing plans into their business strategy. A year ago the IDB introduced a new grants package which is now beginning to instil this philosophy in its client companies. More than 236, or half the client portfolio, have applied for assistance.

The biggest concentration of manufacturing is still to be found in Belfast where shipbuilding and aircraft manufac-ture are the mainstays of

rengineering.
For the state-owned Harland and Wolff shippard, as for all world shipbuilders today, survival is the name of the game. The ever-dominant trend in world merchant shipbuilding markets and the severe damage to the offshore sector caused by the oil price fall have reduced the chances of orders but, in many ways, the company is in a good state.

The outlook in naval ship-

dentally by Gallaher.

With an already thriving home market, Academy has now established itself in Florida where, by using Concorde as postman, it gives a faster service at lower cost than local US competitors.

Of all industrial sectors construction faces the most critical Of all industrial sectors construction faces, the most exitical problems. In July last the industry's representative body, the Rederation of Building and Civil Engineering contractors estimated a loss of 3,000 jobs since October last year and forecast a further fall of 1,500 by the beginning of 1987.

builders, the nationalised group.
Short Bros, again a stateowned company, provides one
in 10 of all manufacturing jobs
in the Belfast area and therefore has a special place in the
economy. It is on the list of
companies the Government It is aid that the "crisis" was
losses for last year—about to
be amounced—could be as high
as £35m according to some estimates, a level not encouraging
for an easy sell-off.

There are several reasons for
this poor financial performance
after a couple of years of im-

after a couple of years of im-provement. Productivity fell last year and gearing up for new orders brought an increase in non-productive time through announced a £10.7m package of new orders for the industry. While this was not an answer to everyone's problems, the federation saw it as a positive response to its pleadings and was encouraged by an under-taking from Mr Tom King, the Northern Ivalual Secretary that "indigestion" on the production

lines.
Above all, the company faces Above all, the company faces crippling interest payments, a handicap which would have to be removed through a restruc-turing should privatisation go

one of the few companies to take on significant new recruits. take on significant new recruits.
Aircraft manufacture, including the civil 330 and 360 commuter planes, has been added to with the introduction of the Brazilian-designed Tucano basic trainer for the RAF. In guided weapons, the company makes Seacat ship-to-air weapons, the Blowpipe and Javelin portable anti-aircraft missiles and now the new Starstreak high-velocity air defence weapon selected by the British Army and offered to the US Army.

It manufactures components

man in Northern Ireland to name the brightest sectors of the economy and invariably the answer will include the textiles and clothing industry.

As the province's longestablished linen industry and
the more recently-established
man-made fibres sector suffered

ASK ANY economist, industrial

development official or business-

grievously in the recession at the end of the 1970s this might seem surprising. But the fact is there has been a heartening revival in textile and clothing manufacturing in the past few

about one quarter of manufac-turing employment with some 8,500 jobs involved in linen-making and related work and 13,000 in clothing. Figures for new jobs promoted in 1985/86 by the Industrial Development Board give an indication of the

trend. In a year when every other major sector experienced a severe downturn in the numsevere downturn in the num-ber of new jobs, 803 were created in clothing manufactur-ing campared with 623 the year before. The figure for textiles of nearly 400 new jobs was down by more than 250, but that drop was far less in per-centrace terms than for centage terms than, for example, engineering or food pro-

are not problems. The IDB says the post-recession shake-out is not over yet. In October, the pending closure was announced of Dunbar McMaster, a Hanson of Dunbar McMaster, a Hanson Trust company, which employs 120 people spinning linen yarn in the small town of Guilford, County Down. Recently there has also been something of a slowdown in weaving, with a number of idle looms reported. Overall, though, the mood is quite upbeat. In an effort to inject further impetus, the IDB set up a Linen Task Force to review the industry and to formulate an action plan for it

helping to create jobs. F. G. Wilson (Engineering), Britain's main producer of generating sets, is adding 50 jobs at its plant at Newtownabbey.

Glen Dimplex, the UK's largest domestic heating and small domestic appliance maker, is paying \$84m for Hamilton Beach, a US kitchen appliance maker, which could increase the labour force at review the industry and to formulate an action plan for it formulate an action plan for it.

The task force reported in early 1985 and is due to produce an update soon which will review progress made in the various sub-sectors.

The main thrust of the IDB's approach is to get companies onto the right technoincrease the labour force at Glen factories in Bangor and However, it was a company right at the bottom of the em-ployment league which recently showed Ulster's ability to deal with world competition. Academy Lithoplates, a Belfast firm employing 26 to make colour separations and plates

Traditional weaving at the John England textile factory in South Belfast

Clothing/Textiles

# **Automation lifts** hopes of revival

logical footing by investing in new equipment and then to get them to concentrate on getting closer to what their customers been happening in the various are looking for. In this way, sub-sectors recently.

Since the early days of the from Far Eastern and other competitors by offering reliable closed, there has been investment of £20m in wet spinning, which produces fine linen use of linen as a fashion fabric

turnaround.
"It is marketing and design
that we really feel is the key
to open the door," says Mr
Bruce Robinson, who heads the

ment of £20m in wet spinning, which produces fine linen fabrics aimed mainly for export to fashion houses in Italy, Japan and elsewhere. The eight companies in the sector are

has been the increase in the use of linen as a fashion fabric which has percolated down from the narrow—though valuable—markets of the top designers into bigger volume

70 per cent of Northern Ireland spinning is now wet-spin, com-pared with 30 per cent dry-spin, a reversal of traditional trends. But dry spinners have also

nade advances, with significant investment in equipment and design facilities by the pro-vince's six companies.

vince's six companies.

Weaving is another area where new equipment and a rethink of marketing and design have paid dividends. At least four companies have invested in new looms (unlike spinning equipment which is available from local engineers, Mackies, looms are all imported from outside the UK), including Ulster Weavers, Spence Bryson and Ewart Liddell.

At Ulster Weavers head-

At Ulster Weavers head-quarters in Belfast's Sandy Row, where the Larmor family have been involved in linen weaving since early last century, considerable changes have been pushed through in the last five years. Some 30 new West German Dornier looms have been installed, with more on order.
Top management has been shaken up and more flexible work rotas introduced.

Crucially, also, the product range, traditionally based on range, traditionary based on tea-towels and industrial fabrics, has been updated and greatly expanded to include such items as PVC-backed aprons, high-fashion apparel fabrics and the revival of damask tablecloths. The focus is on working closely with customers such as big chain stores and being able to respond quickly and competitively to relatively low-volume orders. This is the case also in the

province's clothing sector which boasts names such as shirt-maker Coates Viyella, which has 10 plants in Northern Ireland, Courtaulds Lingerie, with nine, and Tootal. A great local success story has been Desmond and Sons, based outside Londonderry and operating in the job-starved

west of the province.

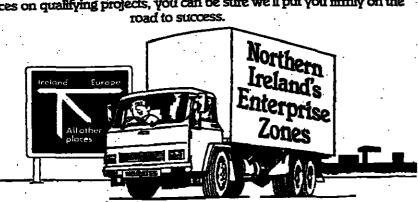
The company has used computer controlled cloth grading and cutting equipment and other automated systems to become a leading supplier of garments to Marks and Spencers.

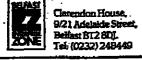
Hugh Carnegy



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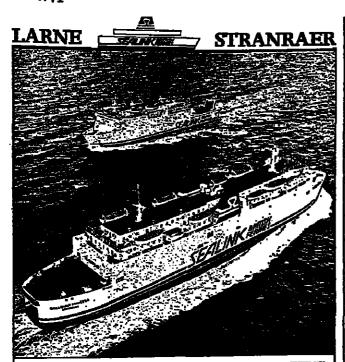
We've been responsible for a wide variety of projects including leisure centres, department stores, a bottling plant for Bass the

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#### Northern Ireland 6

Fair Employment

# Tough new line on religious discrimination

TEN YEARS after it made tional attainment between the religious discrimination in two communities. religious discrimination in two communities.

employment illegal in Northern The overall rate of unemployment among Catholics is double recognised that progress towards equal opportunity for Protestants and Roman Ireland's detractors and a handicatholics has been too slow. cap in the search for new Now it is to get tough with industry.

Mr Tom King, the Northern

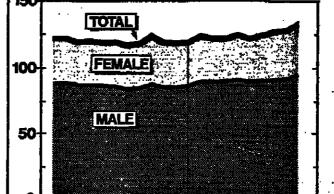
employers

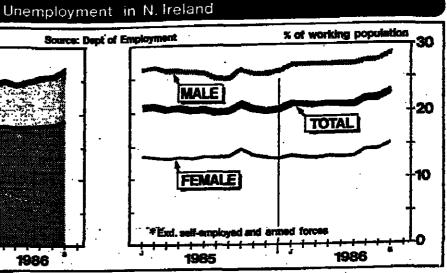
Religious discrimination in Ireland Secretary, has launched Ulster's divided society is deep-seated and persistent and the Government accepts that changshould follow next year. The ing attitudes as well as tighter legislation will be needed to

even in areas of relatively high employment and in spite of the

should follow next year. The Government will have to decide whether the law should continue to be policed by the Fair Employment Agency, set up in remove the problem.

The minority Catholic community's disadvantage in employment remains largely as it was in the early 1970s, when legislation was first introduced, sion which deals with sex





intent" to demonstrate they are committed to achieving fair employment. In 1981 the Govern-ment made the acceptance of public sector tenders conditional on a company holding a certifi-cate from the FEA.

1985

(000)

It now proposes to change the declaration to one of "practice" and to toughen sanctions against companies which do not comply.

Firms seeking Government
assistance would be faced with
the ultimate sanction of having their grants denied.

declaration of "principle and furthered by transferring disadvantage from one group to another or by introducing a quota system. Reverse discrimi-nation is out.

Mr King maintains: " The fact

that we are determined to practice employment equality effectively and compreh and are seen to be taking steps to do so . . . is of profound significance within the province and in the wider international field."

Northern Ireland has already sion which deals with sex discrimination.

The underlying ethos is that discrimination.

At present employers are encouraged to sign the agency's ment equality cannot be Republican terrorists lobbied

vociferously against a US military contract going to Short Brothers, the Belfast aerospace company, where a religious imbalance has been identified and is being tackled through an

agreed programme of action.

While Short Brothers were While Short Brothers were able to weather the storm by demonstrating their corrective policies, the same Republican groups are pressurising US companies which have subsidies in Northern Ireland by urging disinvestment in those whom they accuse of perpetuating incompility. inequality.

To counter such propagands

needs to show that it is serious about fair employment. The Government feels that too many

the problem.

The proposed changes aim to involve companies and public monitoring of their own fair employment practices. Government finance will be available to help them obtain the professional advice they need and to employ additional staff where necessary. This is the carrot being held out. The stick is that companies could begin to see their businesses suffering.

Alan Watson

#### Retail Property

# Rental rises reflect Belfast's prosperity

it is alive with people of all British Home Stores has to the recovery ages, enjoying a night out at made a similar-sized addition. Against the city's finely refurbished to its selling area. C & A, there is Opera House, or sampling its meanwhile, has undertaken a nervousness or unique range of pubs, or visit-ing one of the many chic restaurants which have opened up in the last two or three

place in the life of Belfast city place in the life of Belfast city centre since the 1970s when shop in Northern necessary shop i

Stewarts, a subsidiary of the Fine Fare group. Belfast city centre began to look as though it might lose out altogether.

ing the period 1982-84. And the word is they are continuing to open at the rate of 50 a

But the impact can be more scientifically gauged by the movement of rents in Belfast's retail property market. According to Mr Keith Shiells, the But the impact can be more scientifically gauged by the ment has agreed to provide, movement of rents in Belfast's providing Laing gets financial property market. According to Mr Keith Shiells, the retail specialist at surveyors and development consultants, Milhench Crothers, over the past three years, retail zone A rents (for the first 15ft of shop front) have doubled from £40 to £80 a so ft. vividity illustration. rents (for the first 15ft of shop front) have doubled from \$40 to \$80 a sq ft, vividly illustrating how Belfast is now back on the map as a major regional shopping centre, comparable with the successful city centre shopping areas of many big British cities.

The restoration of confidence has encouraged a number of major retailers to extend their

BELFAST'S Great Victoria premises, among them Marks Street is dubbed these days and Spencer, which has added "the Golden Mile." After dark, the Golden Mile." After dark, the Golden Mile of the Golden Mil

major refurbishment.

It has also attracted a number of other well-known names in the retail business either back into the city centre or to Belfast for the first time, The description may be or to Belfast for the first time, exaggerated. But it illustrates among them branches of the the largely unheralded trans-Burton Group's Principles,

in the city became almost more trouble than it was worth because of the array of security, opposite the City Hall, which lie adjacent to the motorway, just opposite the difficulties of parking a car. The result was an acceleration in the growth of out-of-town shopping centres around the periphery of Belfast developed at a cost of some anchored on local supermarket chains like Crazy Prices and Stewarts, a subsidiary of the city has interest has, in turn, triggered a number of apparently been approached about the possible purchase of its playing fields which lie adjacent to the motorway, just 10 miles from Belfast city centre. The Belfast city centre control £4m by another local pension fund, the Northern Ireland Transport Holding Company. These redevelopments, how-ever, are completely dwarfed by a proposal from John Laing

but all that has now changed. Developments to build \$50,000 As far as restaurants go, the sq ft of new space on the official statistics record that Castle Court site on Royal 138 new eating places opened Avenue at a cost of \$40m. This in the Greater Belfast area during the period 1982-84. And is a big scheme for any city, employment opportunity's for involving changes in the layout of roads and other intrastructure provisions and major largest urban community in new parking facilities which the Northern Ireland after Belfast, Department for the Environ- and more prosperous than

Great Victoria Street in central Belfast is enjoying a renaissance, with a number of new puls and restaurants opening along what has been termed the city's Golden Mile

Against this two other beavyweights in the UK retail business are contemplating joining forces in a

neither confirmed or denie and the local DoE planning office has so far not receive

initial rejection by the planners of more than 10,000 sq ft and more or less automatic. On the other hand, consent could be secured if the developers been translated into developare able to persuade an appeals tribunal that the development will not be detrimental to Belfast and will create new employment opportunity's for a jobs-hungary economy.



One of Belfast's main shopping streets looking towards City Hall

Such a development is not which have crept up generally to around £5.26 a sq ft. There area plan which makes its initial rejection by the planners of more than 10,000 sq ft and more or less automatic. On some 200,000 sq ft of office

But Mr Charles Scott, chartered surveyor who launched his own property business in the city four years

ago, believes the market is ripe for change.

"There are a lot of com-panies in Belfast operating in largest urban community in Northern Ireland after Belfast, panies in Belfast operating in and more prosperous than sub-standard accommodation who are ready to relocate given refurbished space of one thing is certain. In contrast to a few years ago, such the right size, quality and a development should have no difficulty getting funding.

Further confirmation that Northern Ireland now enjoys refurbishment process. Unlike the same retail market confithe rest of the UR, where UDG

grant, and this has apparently encouraged a total investment of over £60m. But the impact is accumulative. Since the out set of the scheme, there have been 1,700 applications ond this year the number is up by 50 per cent. The proportion of 50 per cent. The proportion of applications being refused is also going down as people learn how the scheme works. Robin Reeves

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#### Northern Ireland 7

#### Agriculture

# Poor summers depress farming income

THE DRIEST month of Sep-tember in half a century pulled some Ulster farmers back from the edge of financial disastergiving them time to salvage winter and spring cereal crops —but for others the climatic respite came too late.

Just what the cost, in real terms, of two successsively bad rs will be is anyone's guess. But already many on the land feel they have been stabbed once again in the back by nature and are not looking forward with much enthusiasm to the winter ahead.

It is no secret that Ulster farmers have suffered badly after two of the worst summers in living memory. It has taken some pertinent figures from the Government to put matters really into perspective.

The Department of Agricul-ture's recent statistical review —one of the best barometers for appraising the scene on the land in Northern Ireland spells out clearly how farming income, sitting at a high level two years ago, has slumped by 48 per cent in the past 12 months and is now the lowest. in real terms for six years.

The value of grass output over the past year is also estimated to have fallen by 4 per cent to under £741m with production and average returns both lower than two years ago.

The volume of output, measured in constant (1980) prices dropped by 3 per cent because of a reduced output of cereals, lower stocks of crops and livestock on farm holdings.

at the end of the year and further falls in the production outputs of fat cattle, sheep and issues, potatoes and mushrooms.

Expenditure on inputs of naterials and services increased by 2.5 per cent to almost £472m. Although average input costs. fell by around I per cent, the volume of goods and services

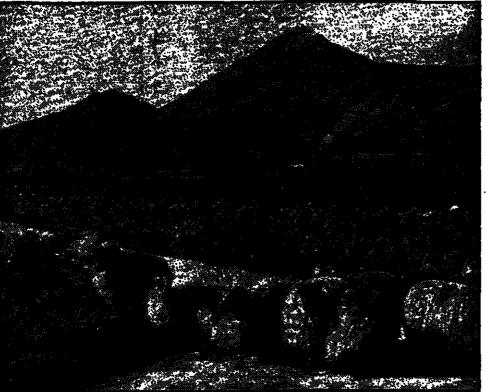
year. cent.

Excluding farm-to-farm sales. With a reduced value of grossthe quantity of compounds, output and higher expenditure straights and other feedstuffs, on inputs the gross product of bought in by Ulster farmers is the industry is estimated to estimated to have risen by 6 have fallen by just over £44m

As the average price was 5 was up by £6.6m, so the value

ı irek

toc



per cent down on a year earlier, of the net produce is estimated feed costs rose by less than film to have decreased by almost funds available to farmers and compared with 1984. Surprisingly, in view of weather conditions, the upward trend in stant 1980 prices fell by 20 per farming income.

The volume of capital invastund last year with a small ued last year with a small increase in the tonnage of nutri-

volume of goods and services industry dropped by around used by farmers during the 10 per cent.

This, it is felt, mainly reflects increased purchases of feeding stuffs in the second half of last to have increased by 14 per cent wile expenditure on farm and grass shortage because of maintenance and miscellaneous a fall of £61.4m compared with the poor weather of the previous items probably rose by 5 per the previous year.

Weather conditions, especially weight was the same as in the worked.

Weather conditions, especially increased to have been at least partly responsible for overtime costs.

After allowing for interest increase in the number of cattle marketed.

The average price per kilomated around was payments, the estimated farming income is £67.4m, maintenance and miscellaneous a fall of £61.4m compared with increased the value of output the previous year.

outputs of fat cattle, sheep and lambs, potatoes and mushrooms. The average cost was said to more than 2 percentage points. But increased produce prices have risen by 9 per cent and interest rates by 14 per cent. Buildings and more than 2 percentage points. The labour costs to the industry down by 22 per cent, mainly increased by lower returns for fertiliser bill by it per cent; the total value of the industry's fertiliser bill by it per cent; the family workers—are estimated to have gone up by over £4.5m and potatoes, leading to a fall together increased in the propose of the province. It is resulted for return of alightly over 1 per cent with purcent.

The average cost was said to more than 2 percentage points. The labour costs to the industry down by 22 per cent, mainly —including those inputed for reflecting reduced expenditure to have gone up by over £4.5m entering the cost of fertilisers and lime to have gone up by over £4.5m fravoured Areas of the province. It is the total number of persons working on farms, an of yelicle.

the previous year. When defiated by the retail prices index 1 per cent.

A high level of marketings of land to overcome similar problems. Some have sold valuable acres of land to overcome similar problems. Some have sold out completely and moved on to Scotland where they can have sold where they can have sold out completely and moved on to Scotland where they can have sold where they can have sold and where they can have sold valuable acres of land where they can have sold valuable acres of land where they can have sold valuable acres of land where they can have sold valuable acres of land where they can have sold valuable acres of land where they can have sold valuable acres of land to overcome similar problems. flow" position of the industry— it is still the largest in Northern it is still the largest in Northern
Ireland—roveals that when noncash elements are removed from

A 3.5 per cent drop in pigmeat prices meant that the
cash elements are removed from
value of output at less than

The average level of bank ment total is provisionally borrowing increased by over estimated to have dropped by 8 per cent and interest rates by 14 per cent. Buildings and more than 2 percentage points. works capital formation went

vince by 7 per cent with purchases of limes down by 53 per small rise in the total number cent.

The average price of store increase of 8.3 per cent in eattle imported from the Irish minimum wages, a higher level investment, possibly in response to the high level of farming income a year earlier. Beef numbers lower than in the presentations year the total cost to the income and a statutory minimum rate and a vious year the total cost to the income and a time worked.

Weather conditions, especially

A high level of marketings or steers and heifers for a second successive year gave some evidence of fodder shortages.

A 3.5 per cent drop in pig-they sold in Northern Ireland.

With milk quotes in operation for a full year the total output from that sector fell by 2 per cent but because of an increase of 3 per cent in the average producer return the value of output rose by 1 per cent.

The upward trend in the pro-duction of sheepmeat continued with a 6 per cent increase and while there was no increase in EEC common prices during the marketing year the average pro-ducer return for all sheepmeat rose by 10 per cent.

In the poultry sector things were not so good. The value of output in eggs fell by 17 per cent to below £29m and there or posityment for the first time in many years from \$42.3m to \$41.7m. While the volume of production rose slightly the average price was 2 per cent

lower.

Potato producers planted 10
per cent less crop and yields
of 20.2 tonnes per hectare were
22 per cent below the record level achieved a year earlier.
There are also indications, too, that the 1986 crop, as well as expariencing low yields will have dropped by another 10 per

potatoes dropped by 44 per cent and that for seed by 23 per cent and the value of output was substantially to

On the cereals side, the production of barley dropped by 27 per cent and that of wheat was cut in half.

Despite a small rise in the

average price the value of the total barvest at just over £6m was down by 40 per cent. Total returns from horticulture rose by 21 per cent with an increase of almost 45 per cent in the value of the mushroom crop. There were also increases in respect of fruit and flowers but the value of output from vege tables fell.

Ulster farmers may be down in many sectors but they have not all been counted out. Many are searching for alternatives are searching for alternatives and the latest proposals for the growing of onions and daffodil bulbs could be more than pipedreams. Last May farmers in Northern Ireland owed the banks £258m, an increase on a figure of £236m for the same month a year earlier.

In February of this year.

In February of this year, however, the figure stood at £262m and it appears that some farmers have de-stocked their farms to facilitate cash-



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#### **Tourism**

# A region of mountains, lakes and caves

substantial growth to more than 900,000 by 1984.

900,000 by 1984.

That year saw a slowing down in the renewed growth in the numbers who arrived to enjoy what is undoubtedly one of the what is undoubtedly one of the cent, the result of a strong pro-

Ulster, which maintains more than 9,000 jobs, is just as sub-ject to the influences which affect the industry elsewhere in

The year's highlight was a 46 per cent rise in visitors from North America, a welcome

GIVEN THE problems of image and weather, it is understand- able that Northern Ireland's tourist business sometimes takes a knock. It did so last year, but the industry's confidence remains undented.

In the past 20 years tourist traffic has fluctuated sharply. It peaked at 1.Im visitors in 1967, fell to less than half that in 1972 and in the early 1980s saw substantial growth to more than the sunderstand and weather, it is understand- drop in business of the board said it resulted from the strength of the dollar and an increase in uncrease in uncrease in traffic from the lirish Republic. Coming the dollar and an increase in uncrease in traffic from the sattributed by the board to an atrocious year's treat. The board said it resulted from the strength of the dollar and an increase in uncrease in uncrease in traffic from the sattributed by the board to an atrocious year's treat. The board said it resulted from the strength of the dollar and an increase in uncrease in uncrease in uncrease in the Belfast to New York route played a large part in the Fermanagh lakeland, has caught the public relations, development. Sir John said: "These plans showed how and where the board to win more traffic has fluctuated sharply. It peaked at 1.Im visitors in 1967, fell to less than half that in 1972 and in the early 1980s saw substantial growth to more than.

The revenue earned from the strength of the dollar and an increase in uncrease in uncrease in the dollar and an increase in uncrease in uncrease in the dollar and an increase in the dollar and an increase in uncrease in uncrease in the dollar and an increase in uncrease in uncrease in the dollar and an increase in uncrease in the dollar and an increase in uncrease in uncreas The revenue earned from

what is undoubtedly one of the motion by the board of short breaks "at home."

Sir John Swinson, chairman of the Northern Ireland Tourist Board, reporting just recently from Great Britain, It's a maron 1985, said the perception of ket which, being so close to Illeton area, slavery felt to be on 1985, said the perception of civil unrest was still keeping the number of visitors down.

But the tourist industry in "re-assurance" campaigns. The board's London staff has been strengthened to ensure the growth continues.

of staying

The Sperrin Mountains, County Tyrene.

The past year has seen the issue from the Northern Ireland Office of new tourism policy guidelines, putting the industry in the context of overall economic development. The phiesting is to raise the number of the purpose of the pur objective is to raise the num-ber of visitors to one million by 1939, create 300 new per-manent jobs and provide another 300 in the construction industry.

The Department of Economic Development underlined the commitment with a new grant scheme to improve accomm scheme to improve accommona-tion, a more which elicited a rush of applications. The level of activity stirred by aid schemes in general is an indicator of the industry's confidence.

some 21 of the provinces 25 district councils are seeking EEC regional development fund money for projects costing £35m to enhance tourist facilities, while current applications to the Government envisage 18 hotel improvements, 28 hotel averagions and two 26 hotel extensions and two completely new hotels. Guest houses and boarding houses, long popular for low-cost holldays, are similarly active in up-

The hotel industry reports a bedroom occupancy rate last year of 46 per cent compared year of the cent in 1984 and only
34 per cent in 1982. The tourist
board says it welcomes the
obvious and wide interest among hoteliers in expansion and improvement plans.

Tourism's prime position in the economy of the UK and of that of Ulster in particular was strongly underlined last year. The publication of Lord Young's report "Pleasure, leigner and lobs the bridges Young's report "Pleasure, leisure and jobs—the business of tourism" left no doubt as to how vital the industry is to economic revival

The tourist board, trying to shape the most effective policies for the future, published its own detailed account of operation proposals, the first time it had taken such a step.

tourists and maintain an internationally competitive product."

There were already signs of much greater cohesion, he said, and of a greater understanding of common goals. But he is the fact to the state of the common goals. But he is the fact to the said, and of a greater understanding of common goals. But he is the fact to the said and of a greater understanding of common goals. But he is the fact to the said and the control of the plants, has found new life in the opening of a yacht marina. One look at the water-front shows just how much prosperity is around.

Belfast as a city has experienced a revitalisation over the first to recognise that plans and policy statements do not in themselves produce paying customers.

"Governments and tourist pave the way for sales. However, every member of the in-dustry must not forget that in the end. solid and sustained success and profit come from self-help," he said.

chemes in general is an exploiting its vast natural rendicator of the industry's sources for tourism. One new
onfidence.

Some 21 of the province's 26
istrict councils are sealing.

enced a revitalisation over the past five years, with a strong retail boom and a revival of eating-out and theatre going. Areas around the city have shared in the renewed activity. The tourist board has com-

The tourist board has com-missioned a study, expected towards the end of the year, into the tourist potential generated by this development and how it can be integrated into planned developments in other sectors in the greater Belfast area.

Alan Watson





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To find out more contact The Director of Marketing at Northern Ireland Electricity, Danesfort, PO Box 2, Belfast BT9 5HT or Telephone (0232) 661100

# Hopes of new crock of gold in lignite find

LAST YEAR'S discovery of gold 1989, will be the Belfast com-

craft circles to land at the city's international airport over the green shores of Lough Neagh Europe's biggest lake.

Beneath its patchwork of fields and under its waters lie hundreds of tonnes of lignite—or brown coal—which, once they are efficiently used, may transform Northern Ireland from a poor economic back-water of the UK into a province water of the UK into a province with an enviable cheap and abundant source of energy. In recent years, Whitehall has subsidised Northern Ireland electricity consumers by £100m a year, and even then they have had the UK's highest electricity

prices.

Excitement at this vast new fuel stock goes hand in hand with an atmosphere of steady wim an atmosphere of steady change in an energy scene, so long dominated by Northern Ireland's lack of indigenous fuels and total reliance on

Other major changes afoot include the expansion of conventional coal-fired generating capacity to reduce Northern capacity to reduce Northern Ireland power stations' 90 per cent reliance on oil. The first step is the adaption to joint coal and oil firing of Kilroot power station on Belfast Lough, whose completion was can-celled because of the oil price explosion of the 1970s.

Northern Ireland's gas distri-bution system, still based on

I LAST YEAR'S discovery of gold in Northern Ireland's Sperrin Mountains triggered off gold fever which was quickly to give way to sober caution about the quantities involved.

But travellers arriving in Belfast by air are only seconds away from a much bigger "crock of gold" as their aircraft circles to land at the city's international airport over the green shores of Lough Neagh Europe's biggest lake.

Beneath its patchwork of fields and under its waters lie

the plugs in a dispute over manning levels. According to management, the root cause of their action was anxiety about a drop in their manning levels when new coal-fired capacity comes on stream in two years

But at present, it is the lignite which commands most attention, not least because it could become a Trojan layers for the introduction of private finance into the supply and distribution of electricity, and a possible show case for what could one day happen elsewhere in the UK.

The Government has invited bids to construct and operate a 450 MegaWatt lignite-fired power station, which would pro-vide cheap, around the clock wide cheap, around the clock electricity and meet about a quarter of peak hour demand. With the bids due in by November 19, the likely contenders are two private consortia in addition to the publicly around Northern Incided Hose owned Northern Ireland Elec-tricity (NIE).

With the project expected to cost more than £500m, and to create a significant number of jobs, Government officials view it as the biggest-ever private investment in Northern Ireland.



Foster Wheeler. Behind them all, as the potential extractor and supplier of the lignite, stands British Petroleum, which acquired the right to work the important Crumlin deposit earlier this year from Burnett and Hallamshire, the troubled minerals

group.

The Government's decision is being awaited warily by NIE, whose chief executive, Mr Tony Hadfield, wonders why his station even if its construction is managed privately.

The NIE is tabling its own proposals for building and operating the plant to be used to burn the lignite. But it shows bution system, still based on the old town gas undertakings which used to turn coal into gas and coke and which now rely on costly naphtha as their feedstock is also in transition. It is being steadily run down with the help of £100m from the Government.

Several companies have already closed, more will follow this year. The last to go, in several companies have already closed, more will follow this year. The last to go, in several conditions investment in Northern Ireland. They also appear interested in no great conviction that this should necessarily be the next step in cutting the province's inflated electricity prices. It is examining at least 10 options the Government.

They also appear interested in no great conviction that this should necessarily be the next step in cutting the province's inflated electricity prices. It is examining at least 10 options the Corporation, with GEC also the greater use of coal, building a submarine cable to partner, and Loughside Power, Scotland to import electricity by led by the Costain Group and wire, and the prospects for re-

class graduates.

opening the cross border cable to the Irish Republic's Elec-tricity Supply Board, closed because of the security situation

for more than a decade.

The studies are being made at a time when Northern Ireland's electricity market, with some 580,000 customers, is also growing at the rate of 1.5 per cent a year, the fastest in the UK.

Much of the growth is as a result of people switching from other energy sources to electricity, while industrial sales are affected by the creation of many new small companies relying on electricity-based processes.

But the main incentive for modernising the power stations is that the NIE is saddled with the oldest and least efficient coal-fired power stations in the

UK. Mr Hadfield, who moved to Belfast last year from the Mid-lands Electricity Board, believes that the NIE, assisted by the Central Electricity Generating Board, could build the lignite

station just as quickly as pri-vate companies.

But Government sanction for public works is hard to obtain Borrowing Requirement.

For the time being, therefore,

the NIS is trying to cut its losses through a fuel purchasing policy which exploits the fall in oil prices and the additional prices are prices. tional leverage this has given it over British Coal, its main coal supplier.

Because of the poor efficiency of its coal plant, NIE has been or its coal plant, NIE has been saving money by burning far more oil this year than usual. British Coal has supplied no coal to NIE since last April. In a new three year-deal with British Coal, however, NIE will soon resume buying most of its

Transport/Communications

# High standard of links

TO AN outsider looking at the map of Europe, Northern Ireland must appear a remote western corner. For those who live and work there any feeling of remoteness has been pushed aside by the development of modern transport and communications links.

The ports of Londonderry in the north-west and Warrenpoint in the south, reported increased tomage last year of, respectively, 3 per cent and 8 per cent. Air travellers in and out of the province have seen a transformation of the main airport at Aldergrove and the opening

Since the post-war era. Northern Ireland has been forced by its location to implement a vigorous policy of improvement to internal and external communications in order to provide standards which satisfy the internationally mobile companies it seeks to

attract.

For such companies the additional cost of importing raw materials and exporting finished goods has to be taken into account, but it is a small factor in the calculations. What is more important is that the links with the outside world actually exist.

Nowhere in the province is very far from a port. Direct very far from a port. Direct services to Europe serve up to 20 destinations from Scandinavia to the Mediterranean coast and there is access through non-direct services to anywhere you care to mention. In spite of a manufacturing decline, the four main ports all saw increases in the tounage they handled last year.

Belfast, which is Ireland's largest port, last year celebrated its bicentary with a 13 per cent rise in trade to 6.6m tonnes.

station just as quickly as private companies.

But Government sanction for public works is hard to obtain especially in a province where security tops the public shopping list. Even if the NIE went directly to the banks to raise the capital, the Treasury would still regard it as an undesirable investment in the first half of addition to the Public Sector Borrowing Requirement. facilities.

Larne Harbour, owned and operated by the European Ferries Group, is the busiest ferry port offering a short crossing to Stranzaer and Cairmyan in Scotland. A popular connec-tion for road freight, tonnage moved last year rose by 5 per cent to 3.4m tonn

The route, served by Sealink and Townsend Thoresen, is heavily used by tourist traffic. to NIE since last April.
It a new three year-deal with rish Coal, however, NIE will a resume buying most of its its from Britain.

Maurice Samuelson

Maurice Samuelson

Meaning trame.

Car and caravan movements rose by 9 per cent last year to 255,800. The port, which opened a new passenger terminal last year, is installing a third two-tier vehicle loading ramp to cope with the growing demand.

tively, 3 per cent and 8 per cent.
Air travellers in and out of
the province have seen a transformation of the main airport
at Aldergrove and the opening
of a second airport at Belfast
harbour only minutes from the city centre. Belfast International Airport,

formerly known as Aldergrove.
is now one of the busiest in the
UK and among the best
equipped regional airports in
Europe. It launched an
ambitious re-development programme in 1977, aided by government and EEC funds, which has produced modern air-side facilities, a new inter-

air-side facilities, a new international wing and, now underway, major improvements in
domestic passenger handling.
The number using Beifast
International increased 4.2 per
cent to 1.64m last year. It
handles 34 flights daily to and
from London's two main airports, serves 10 other UK airports and has scheduled services to Amsterdam, Brussels
and Paris. and Paris.
A 63-acre site within the air-

port complex was designated in August 1984 as a freeport area as part of the Government's UK wide experiment. So far it has wine experiment. So lar it has proved to be a slow-starter with the attractions of duty-free processing appearing to be an insufficient draw in comparison with other readily available investment incentives in the

The freeport's first phase covering a two-acre site offers 90,000 sq ft of accommodation. Part of this has been lessed for maintenance operations to a local aviation company and Northern Ireland Airports, which operates the business, hopes the remainder will be taken up within three or four

months. Beifast Harbour Airport has flourished since its owners, air-craft manufacturers Short Bros, opened for civil traffic. Passenger throughput rose by 10 per cent last year to 192,000. The airport, which initially attracted some of the smaller independent airlines away from Belfast International, was brought into use because Shorts saw it as a marketing tool for its family of commuter aircraft. It proved a popular decision for businessmen requiring speedy links to other UK regions. Marketing Northern Ireland

as a business location has, unlike the Irish Republic, been free of telecommunications worries. British Telecom provides direct dialling to more than 93 per cent of the world's telephones from even the furthest corner of the province. Business users have the same standard of services available as in the rest of the UK, includ-ing Telex, facsimile trans-mission and computer-to-com-puter links. A large part of the province is now also included in the cellular radio

Alan Watson



Main -cer

# Interesting opening for businessmen.

A new £2m technology park, the first in Northern Ireland, is now open only 15 minutes from Belfast International Airport.

Antrim Technology Park is set in picturesque countryside. It has every modern facility for new-technology based projects such as computers, electronics, light engineering, pharmaceuticals and biotechnology.

Twelve sites are available for development - and one is already occupied by the first tenant, BIS Beecom International, a producer of advanced computer application packages.

The benefits on tap at Antrim include the wide range of excellent incentives available to businesses throughout Northern Ireland.

These include up to 50% on new buildings and machinery, R&D grants of 40%-50% and help with taxes, rent and rates. But there's more to Northern Ireland than even the best financial package.

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And a well-planned industrial infrastructure that helps give Northern Ireland companies that extra competitive edge.

For further information, contact the Industrial Development Board for Northern Ireland, IDB House, 64 Chichester Street, Belfast BT1 4JX. Tel: (0232) 233233. Telex: 747025.

# FINANCIAL TIMES SURVEY

to be patient.

been indulging in a collective form of angst over this issue.

on immunoassays for medical

the Europeans have pioneered.

This explains the frenzied activities by Western Europe to

narrow what it sees as the "technology gap" between itself and the US and Japan.

# Technology Transfer

to remain important.

Similar technical advances,

too, are changing a range of industries outside manufactur-

ing, in advertising, financial services and distribution, to

According to one US study, in 1980 high-technology industries in the US accounted for 22 per cent of all manufactur-

per cent, compared to 12 per cent in other areas of manufac-

Mr Patrick Coldstream, direc-

dustry) will depend on the best ideas from technologically-educated people. Unless com-

There is also the increased

pace of developments in techno-logy, as a result of which a scientific breakthrough, in say microchips or biotechnology,

can translate into a set of com-mercial products in as little as

turing and services.

take only a few examples.

Increasing interest by companies, governments and academic institutions is providing more pathways for technical and scientific advances to be developed commercially. The overriding belief is that technology-based industries are the ones which will prosper.

# Pursuit of good ideas

THE WAYS in which technical trial Revolution and scientific research works through to the commercial

from politicians to university factors.

Overthe routes by which this transfer takes place and techniques to make the translation more effective. Companies, more energy companies, government bodies and academic institutions are spending much time and money in creating a variety of new mechanisms to

aid this process.

The mechanisms include, in ones which will survive and the industrialised world, anything from science parks at employment and to some degree universities to formal policies compensating for the decline in traditional manufacturing vidual companies to assist industries such as steel, shipbulding and heavy engineering. susceptible to new technical

In the developing countries, technology transfer policies are often seen as fundamental to schemes to improve economic rowth and raise living stan-

The reasons behind all this activity need to be explored. After all, technology transfer is nothing new. It has been at work in putting into practical form the scientific advances developed by mankind over the centuries, from the first stone

Today's interest in technology transfer, which even a decade sphere has in recent years ago would have attracted the become a hot political and attention of few people other economic topic in many parts of the world.

Suddenly, a host of people that the second people of the secon

Over-riding everything is the widespread belief, in many parts of the world, that techno-

By Peter Marsh

The areas normally picked out for special attention as businesses of the future include electronics, scientific instruments, aerospece, chemicals. office machinery, and motor vehicles. This way of looking at the industrial impact of technology appears, however, somewhat narrow. There is an increa

tion that advances in individual technologies such as computers can play a crucial role in re-shaping "old" industries which do not appear on this list-among them the metals,

attitude comes from the commonically from the technologies will naturally want to make the transfer process as short and as effective as possible.

The increased globalisation of trade is another factor pushing organisations to study the way way idea.

ing organisations to study the way ideas move from the research to the industrial phase.

Competition is such that commercial groups which fall to Such alliances can often pay manage this translation properly will be almost certain to commercial managers may have lose out to those which do.

escalating costs of Governments have become projects—in the pharals or electronics in transfer. They have taken a escalating costs of why company managers or government planners are trying to increase the returns from such programmes by closer attention to the transfer process.

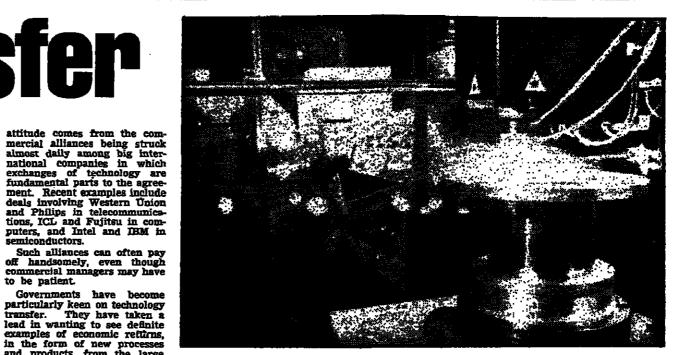
Another and reason in the form of new processes and products, from the large sums of taxpayers' money spent on scientific research. Countries in Western Europe, in particular tries in Western Europe, in particular tries in Western Europe. dustries these can run into bil-

Another possibility is to share the costs of the financing with partners, for example through licensing deals or by joint research projects involving a number of commercial groups

Among companies, notions about sharing research or of gaining ideas from outsiders are becoming more acceptable. "To keep up with developments, commanies are licensing abead in many high-technology the 22 per cent of all manufactur-ing and service industry em-ployment. It is a proportion that seems likely to grow. According to the study, between 1976 and 1980 employment in high-tech industry rose by 19 per cent, compared to 12 per cent in other areas of manufacmore companies are licensing in ideas from outside," says Mr Bingham Dore, director of Product Systems, a UK technical consultancy. "The NIH (Not Invented Here) Factor is gradually becoming broken down."

Mr Patrick Coldstream, direc-tor of the UK Council for In-dustry and Higher Education, an industry-sponsored pressure group formed early this year, says: "We can see the begin-ning of a perception that in-creased competitiveness (in in-dustry) well depend on the best Growth of the science park movement

		19	80		198	5
)	Parks	Establishm	ents*	Parks	Establish	men
•		on par	ks		on par	KB
UK	. 3	76		13	180	
West Germany		. —		18	269	
France	3	275		8	320	
Belgium	4	38		5	76	
Netherlands				3 .	42	
Total	10	389		47	887	
*Establishments in	dude	companies	and	research	institutes.	
Soviça: Curria Sunman	Pattne	տեկը.		1.7	ia and	



A new 10-kW carbon dioxide laser that is capable of welding solid steel up to 18 mm thick at 3 ft per minute. The British-built laser, bought with aid from the Department of Trade and Industry, is the nucleus of a two-year R and D project by the Welding Institute aimed at licensing the technology

Concern has grown that advanced scientific work by these countries in specific areas better commercial use of scientific ideas include the Esprit and Eureka technology projects, in which individual countries in Europe are pooling research efforts in disciplines such as new materials,

chemicals and transport. Other efforts are focusing on universities as repositories of technical skills which need to be spread far and wide into the social fabric of a country to yield maximum economic benefits. Hence the interest in science parks and innovation centres, developments attached to academic institutions which seek to aid the transfer of ideas into industry, either via new small businesses or into existing

A related idea is to fund aware of new ideas that can in prove products and processes.

Will arrange contacts between academic researchers and commercial organisations wishing to obtain new ideas in specific

technical areas Academic groups and muni-cipal authorities in a number of European countries, notably West Germany, France, Sweden, Holland and Britain, have been active in setting in train such developments, There is, too, keen interest in the US in

centres.

technical research—and the uplift in economic fortunes which it is assumed will accompany commercialisation of the research—to regions badly hit by the decline in traditional manufacturing.

This explains why a number of cities hard hit by this decline, Birmingham in the UK and Dortmund in Germany for As part of these moves, the European Commission is studying a project called STRIDE (Science and Technology for Regional Development in

Regional Development in Europe) which could aid the setting up of innovation centres and similar organisations in the depressed regions.

Mechanisms aimed at making cementing stronger ties between one negative result. The inetter commercial use of scienacademic institutions and the creased awareness of the importance of the "technology and Eureka technology projects, nisms such as joint research resource" of a country in aiding international competitive-Part of the developments in recent technology transfer in recent exchange between countries of years has concerned efforts to steer the results of scientific and to a report last year on information. tion-technology research by the

> logy Assessment.
> Ultimately, said the office, such attitudes could endanger traditional methods by which scientists and engineers gain new information and, as a result, put back the economies of countries which do not raise their own standards of research example, have set up their own technology transfer agencies to new mechanisms in aiding technelp existing companies become aware of new ideas that can imit is too early to judge overall results—although adherents of technology transfer policies are

> already claiming successes. Mr Juergen Allesch, director of the Technology Transfer Agency in Berlin, which is funded by the Berlin municipal authority, says the agency's activities are attenuating the activities are stimulating the growth of new companies in The interest in how technoareas such as electronics as logy flows into the world of well as feeding the results of commerce and boosts economic university research into existing

# axes to the mechanical factory among them the metals, systems that drove the Indus-, machine teels and textiles busione or two years. In this climate, the con performance has had at least

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Cambridge University 0223 334755 Univ. College Cardiff 0222 874838 City University 01-253 4399 **Essex University** 

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There will be ways we can help your company - perhaps ways you have not yet considered - so call anyone on this list and test the temperature of technology transfer.

If you prefer, you will be welcome at the Higher Education Pavilion at Barclays Techmart - a unique consortium of universities, polytechnics and colleges.

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Loughborough Univ. 0509 230426 Plymonth Poly. 0752 221312 allus, or see us all in the

MINHINI BARCLAYS

11-14 November 1986, at the National Exhibition Centre, Birmingham.

# Universities and industry begin to talk a common language

EFFORTS IN the UK to promote more efficient ways to feed scientific ideas into industry have concentrated above al on the country's academi

For many years people have Salford had the feeling that universities and polytechnics should be Loughb doing more to strike up liaisons results from the cash spent on cademic research.

acagemic research.

In recent years, this has started to happen. "Industry and the universities are starting and the universities are starting to talk a common language," says Mr Patrick Coldstream, director of the UK Council for Industry and Higher Education, an organisation formed 10 months ago and chaired by Mr Jim Prior, the chairman of GEC and former Cabinet minister.

One gign of the improvement One sign of the improvement in relations is the steep increase in cash the country's 40 or so universities are earning from

universities are earning from research sponsored by industry. In 1984-85, this came to nearly £48m, a 46 per cent increase on the £33m these bodies earned in this way in 1983-84.

The cash forms part of the total of roughly £300m, most of this from public bodies, that the universities spend on research each year. research each year. The UK's contract-research

organisations, commercial groups such as ERA Technology, the Fulmer Research Institute and the BNF Materials Technology Centre, sometimes com-plain that their own contribu-tions to technology transfer are often overlooked by the emphasis on academic institutes as sources of expertise in R and D.

Indeed, some of these contract-research bodies, which dast year set up an umbrella group called innovation for industry to raise the profile of scientific and technical research among decision makers in com-panies and in the Government, are world leaders in their dis-ciplines. An example is the Cambridge-based Welding Institute, which sells research expertise to blue-chip companies not only in Britain but other

parts of the world. It cannot be denied, however, that the role of the universities in providing important scientific and technical ideas to industry potentially far greater. This mainly because the research of academic organisations is inherently organised around long-term projects which, if they reach fruition, can provide

For example, research in optical computers, which use beams of light rather than electrons to process information and so work at very high speeds, is now under way at several academic institutes around the

in the 1990s.

A still greater reason for emphasis in Britain on the academic institutes is that, in the past, they have been relatively ment at the Georgia Institute of which industry requires.

Technology in the US and an expert in raising funds from inspecific technology courses in merce. University researchers, dustry, is to spend the first six liaison with industry include

industry 11.91 Loughborough Birmingham Exeter Edinburgh Stirline 3.78 3.59 3.58 3.55 3.43 3.25

\*Research for UK industry plus income from special and short courses. †Includes University of Mauchester Institute of Science and Technology.

departments.

even in engineering departments, have normally been less provide a blueprint for indus-inclined than their counterparts trial liason for all the college's in countries such as the US and West Germany to strike up relations with industry.

Such links can be in the form of consultancy, in which the researcher works for a company partitions or green via the control.

part-time, or even via the route of an academic setting up his or her own business organis-ation to bring a technical idea to the commercial stage.

Several events have brought about a change in perceptions in recent years. Most important have been the Government cuts in university spending, which date to 1981. One effect was to make universities feel they should be doing more to earn a living by striking up contacts with the outside world.

On top of this has been a stream of public pronouncements that universities and other academic organisations should strive to aid the re-industrialisation of Britain by helping companies to take new ideas in areas such new ideas in areas such as electronics, materials and bio-

versities Industry, too, has shifted ground. Though the country's biggest industrial groups such as GEC, BP and ICI have long had close hiaisons with the world tions is around hich, if provide ses for organisations as sources of expertise.

of actions by universities, in setting up science parks or organising industrial liaison offices to promote contacts with

commercial groups.
One example of this thinking strike up links with companies. tronics and computing with the Dr Warren Heeman, vice-prime interest of giving the president in charge of development at the Georgia Institute of which industry requires.

19.0 18.4

Manchester is another centre where new types of contact be-tween academic groups and industry are being explored. The University of Manchester Insti-tute of Science and Technology (UMIST) and Salford University have joined forces with the Machine Tool Industry Research Association in Macclesfield to set up a Manchester-based Advanced Manufacturing Tech-nology Centre to provide new ideas in automation to industry.

Commercially - oriented "clubs", in which companies pay universities a set membership fee to take research results in specific disciplines, are also becoming popular at academic centres. Such clubs have been pioneered by commercial groups such as the UK Atomic Energy Authority's Harwell Laboratory, which organises a programmes in areas such as materials science and process

An example of a university-based club is at UMIST, where the chemical engineering de-partment has started a technical effort in what is called process integration research. Companies pay a see of £10,000 a year to participate in and use results from a programme in advanced themodynamics which is examining new ways to build process less energy.

In teaching, not only in research, many university groups are moving towards closer coland so work at very high speeds, is now under way at several academic institutes around the world. Assuming the technology matures, optical computers could revolutionise the global electronics industry in the 1990s.

commercial groups.

One example of this thinking laboration with industry. Salford University and Cranfield Instituts of Technology have ready one of Britain's most industry-oriented educational nology institutes which, in particular to the same administrators are running courses in electronic and course and co

Essex and Bath.

The past few years has seen new interest in organising ways to exploit the research results from universities via technology-transfer agencies. At one time, the state-owned National Research Development Corporation (now part of the British Technology Group) was the only body empowered to take the results of publicly-funded research and license these to outside organi-

With the intention of stimulating new licensing mechanisms, the Government has removed the BTG's monopoly in this area, giving other private-sector bodies a chance to act as the agents for universities in striking-up technology-transfer deals with outside concerns, It is generally agreed,

assess the results.

A relatively little-noticed scheme which has operated for 12 years in which university graduates and companies work on joint commercially oriented research projects is the teaching research projects is the teaching

company programme.

In this scheme, operated jointly by the Department of Trade and Industry and the Science and Engineering Research Council, university people and company engineers work together, normally for about three years, on a specific programme of industrial design and development.

and development.
Companies involved in teaching company schemes, of which more than 200 are in operation, include such well-known names as Lucas, Baker Perkins, IGM, Peter Brotherwood, Davy McKee, Marconi, James Howden, Taylor Woodrow, Oxford Instruments, Short Brothers, Harland and Wolff and Toshiba.
Judging by participants' ex-Judging by participants' ex-perience of these projects,

teaching company schemes often succeed in their objectives of helping a commercial con-cern solve problems by gaining access to academic expertise.

An issue frequently raised is whether the new emphasis on striking industrial links among the UK's academic institutions could distract such bodies from what many argue should be their overriding aims in the

area of general teaching and in the pursuit of knowledge. There is also a fear that any efforts by the universities to obtain more cash from industrial sponsors will give the Government an excuse to reduce still more the level of

schemes are still in their infancy. Universities as a whole, it appears, still have some way to go before activities of this sort begin to outweigh the more conventional operations of academia.

It seems that a danger does exist, however, that due to public spending cuts, academic public spending cuts, academic institutes may be deprived of the resources they need for research into long-term studies which could be important industrially, assuming technology-transfer mechanisms are functioning, in future decades. Peter Marsh

The United States

# Market flooded with software

MENTION "technology trans-fer" to an American and he will assume the subject is the Soviet Union's periodic theft of com-puters. Such a narrow focus on a large and important subject is understandable because the American government and media concentrate on this limited form of illicit export.

The media, while swallowing the assumptions of the govern-ment, also latch on to good stories in commercial intelli-gence, like the recent one about gence, like the recent one about the Soviets trying to purchase an interest in a Silcon Valley bank in order to get access to companies' trade secrets.

The more pervasive area of commercial technology transfer, with a worldwide trade of \$300bn, is dominated by the US's 27 per cent share of high-tech exports among the top 15 industrialised countries. Where

Still, America's exports are among the most sophisticated products, led by office automation with \$20bn in exports, electronics and telecommunications with \$14bn and alwards.

American share of exports client expects."
growing while US imports have Even compaincluded consumer electronics, business of

a partner in Arthur Andersen, of hardware to software applitude country's largest accounting firm, which does a great deal of work providing and advising on systems for businesses.

of hardware to software applications.

These unique instructions cannot be duplicated by competitors and will go a long way

American corporate protectiveness has taken two forms: refusing to license new technology, as Motorola has been doing with Hitachi for its 68020 microprocessor, and vigilantly guarding against unauthorised use of protected systems, as IBM does with domestic as well as foreign competitors.

Companies are still licensing specialised software systems to specialised sortware systems to offset the cost of development but, according to Mr Mel Bergstein, managing partner at Arthur Andersen, they are also "increasingly jealous of the technology they are using."

When Arthur Andersen develops a programme for a client Mr Bergstein says it belongs to

Mr Bergstein says, it belongs to the client. The client sometimes five years ago the US enjoyed a the client. The client sometimes \$23.6bn trade surplus in high-licenses it to other companies tech products, the balance as long as they are not comdeteriorated to only \$5hn in petitors, but besides a fear of

products, led by office automation with \$20bn in exports, electronics and telecommunications with \$14bn and alruraft and parts with \$13.5bn.

Together, these three areas account for 65 per cent of the country's high-tech exports. In only two of them, office automation and electronics, is the American share of exports growing while US imports have the sale to provide the services a university in St. Louis, says:

So much software has flooded Japanese. The twin-engine, short-to-medium range 150seater, is extended your 1992 with a new propeller country's high-tech exports. In only two of them, office automatically to service and upgrade unsured to go into service by to service and upgrade your 1992 with a new propeller called a "propulsor" and tends. "You have to have the shaped like a screw. The fine twin-engine, short-to-medium range 150seater, is extended to go into service by to service and upgrade your 1992 with a new propeller called a "propulsor" and tends. "You have to have the shaped like a screw. In the twin-engine, short-to-medium range 150seater, is extended to go into service by to service and upgrade your 1992 with a new propeller called a "propulsor" and tends. "You have to have the shaped like a screw. In the twin-engine, short-to-medium range 150seater, is extended to go into service and upgrade your 1992 with a new propulsor and tends. "You have to have the shaped like a screw. In the twin-engine, short-to-medium range 150seater, is extended to go into service and upgrade your 1992 with a new propulsor and tends. "You have to have the shaped like a screw. In the twin-engine, short-to-medium range 150seater, is extended to go into service and upgrade your 1992 with a new propulsor and tends. "You have to have the shaped like a screw. In the market that just having a product no longer automatically medium range 150seater, is extended to go into service and upgrade your 1992 with a new propulsor and tends. "You have to have the shaped a screw."

In the market that just having a product no longer aut

The willingness of US busi-nesses to give away high-tech licences cheap is "ancient to its computers operating history," notes Mr Brian Smith, systems, which shifts the work

cannot be duplicated by competitors and will go a long way toward stifling the plug-compatible market. Since IBM can make upgrades with the microcodes, customers will be afraid to use any other reschires. In the less sophisticated but

incrative personal computer market, IBM has been stung by the price undercutting by clones imported from Asia that use the same components as use the same components as IBM. To get away from off-the-shelf technology, IBM has made a licensing exchange deal with INTEL, in which the giant company already has a stake, to provide a unique system for a new generation of personal computers. American companies have

been criticised for sharing re-search and development, especially in areas where the US seams ahead of the com-petition. Bueing's development programme on the 737, so named (critics say) for Japan, is being co-sponsored by the

included consumer electronics, business of disseminating private industry, aerospace is advanced materials and robotics, technology are finding new always up there as number become the dominant world petitors. IBM, which spends transfer implied in the joint suppliers. America's advantage in an area that had stayed ahead of the

the market for technology transfer, there are other entities pushing it. After all, jealously guarding competitive advantages only makes the other guy have to go out and buy his own, and increases sources of supply are growing

Cities like Pittsburgh, which Cities like Pittsburgh, which have lost the century-old industries, think they can revive the local economies with high-tech businesses. Universities like Carnegic Mellon, which was a founder of the field of artificial intelligence, are having companies support the work of their researchers or encouraging thair people to start their own businesses.

Fublic funding subsidies

Public funding sub rents in "incubator" rents in "incubator" space mear the campus, where the first office-based dudustry of creating software can have a modest beginning

In Pittsburgh, the Regional Industrial Development Corporation wants companies only in their formative stages and expects them to move out when they become orneitable Personal they become profitable. But a host of other supporters await in the wings, starting with local investors and corporations which have their venture-capital offshoots.

The state government also wants to help create new technology businesses out of the state's university research, havstate a university research, hav-ing put money into a pro-gramme of lending and giving money for high-tech start-ups. The current spate of stories about technology stolen for political ends will eventually take a commercial twict but take a commercial twist, but that may be only after the US has lost the competitive advan-tage it thinks its current level of visilance will preserve.

Frank Lipsius



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The Soficar joint venture factory in south-west France in which Elf Aquitaine and Pechiney are combining with Toray of Japan to produce earbon fibres

# A two-way system

research sectors. It has been the case in the nuclear and aerospace industries, heavy engin-eering and chemicals, the computer sector and telecom-munications among others.

To help build up a domestic semi-conductor industry on a major scale, the French Thomson group has forged links with Motorola, National Semi-conducamong other techniques, the Oki manufacturing system at its new semiconductor facility near Nancy in eastern France.

Thomson also turned to Japan to help set up a domestic videocassette recorder industry with a licensing agreement with JVC.

"Licensing foreign technologies has been undoubtedly one of the cornerstones of French industrial policy over several decades," says a French industry official. It has supported France's own research and development efforts as well as in helping French industry to adapt its manufacturing and production systems to modern

FRANCE HAS long made abundant use of technology transfers tific and engineering developto help the development of its own domestic industrial and budgetary restraint has also been cutting into the funds available for technology and research in France, the French 1987 budget nonetheless pro-vides FFr 80.2bn for R and D, or 3.7 per cent more than in the current budget.

But technology transfers also have been a two-way system for France. It has not only enabled the country to acquire technologies to enable its industries to accelerate the development of a given sector, but it has also boosted France's own export performance and French penetration in new foreign markets. tration in new foreign markets, especially in South East Asia. A good example of the way France has used its own tech-

prance has used its own technologies to penetrate a difficult market like Japan is the nationalised Pechiney aluminium group. Pechiney, like other strong technologically-orientated French companies, has long sold its aluminium manufacturing technology worldwide. It claims that Pechiney technology is that Pechiney technology is now used in about half of all the world's aluminium plants built since 1978. techniques.

Technology transfers have built since 1978.

Technology transfers have In Japan, Pechiney provided duct areas. For example, complemented the sizeable pool the technology for four out of Pechiney and Elf Aquitaine, of state-backed research in the five main Japanese smelter.

ters at the time when Japan sought to build up a domestic aluminium industry. However, with the subsequent overcapacity in the world market and the jump in energy prices at the end of the 1970s, Japan

However, this association left Pechiney with a strong presence in Japan which has subsequently been reinforced in recent years through loint

"If you want to do business in Japan you must be able to offer them something they haven't got. They are especially keen to secure Western technologies," a Pechiney executive says. The French group has thus recently set up a joint venture in advanced magnets with Kawasaki in Japan based on the technology of Pechiney's Unimetal subsidiary. The group is discussing similar joint ventures in Japan trading its nuclear technology and its In turn, Pechiney has been drawing on Japanese tech-nology and licences to build up

entered in a joint venture in south-west France with Toray
of Japan to produce carbon
fibres using the Japanese
group's technology.
In northern France, Pechiney

has set up another joint venture to produce copper products for the electronics industry with Mitsui Mining.

"With the search for new market niches and the costs of developing new technologies, we are likely to see a continuing intensification of efforts foreign groups to acquire each other's technologies and form alliances in specific sectors," says a French government official,

the new French outward - looking adopt an outward-looking approach to help boost export performance in what are increasingly becoming global markets. At the same time, collaboration is seen as a crucial element to hold down costs and achieve the necessary

The way in which French industry has become intricately interlinked in the system of technology transfers is elo-quently, and indeed ironically, reflected in the French comreflected in the French com-puter industry. After years of painful and arduous restructur-ing, the French Bull computer group has now returned in the black following years of losses. It is now considering acquir-ing a major stake in the in-

formation systems business of the US Honeywell group which used to own 47 per cent of the French group before it was nationalised by the Socialists in 1982. Bull produces the DPS-7. midrange computer which Honeywell markets in the US.

largely on technological trans-

foreign groups, the French authorities are increasingly keen to see smaller and medium-sized groups develop through the use of licensing acquisitions and sales. Indeed, the authorities would like to put greater emphasis on small com-panies to maximise technological benefits for the economy.

The last few years have seen
the development of venture
capital in France which the
government hopes will stianulate innovation. At the same
time, the rising role of the
secondary market on the Bourse has also contributed lately to the development of this key and growing sector of the economy which, through the innovative process, could ex-pand France's opportunities in

exploiting technological trans-

10.00

#### Japan

# Important source for the West

The Japanese are being urged to

collaborate more in advanced

science and technology projects

in Europe and the US

ing technology for Singapore, relative strength of the Japanese Ceramic technology for Thailand when dealing with European and automotive component tech-

the biggest importers of tech-nology in the world, shamelessly imitating everything and anything made in the West. Now they are widely recog-nised as one of the most important sources of technology

in fields as varied as optoelectronics and microbiology, and the world is clamouring for better access to Japanese discoveries.

From the industrialised countries come demands that Japan collaborate more in advanced science and technology projects in Europe and the US.

Sir Robin Nicholson, chief executive of the electro-optical division of Bullimeter Parthers

executive of the electro-optical division of Pilkington Brothers and former chief scientific advisor to the UK government, said in a speech in June to an Anglo-Japanese trigh technology industry forum in London that Japanese scientists

should participate in some of the current European scientific distance is great, but there are suggestions that problems of national pride are greater," Sir

Robin said. Meanwhile, the developing countries, especially neighbour-ing Asian countries, are making increasingly strident demands that Japan share its existing technologies and open its market to the resulting pro-ducts as part of its aid effort.

The idea is to prepare at least one seminar per year for each Asean country, and occasional ones, funds permitting, for other devaluation. developing countries. The seminars go into great detail not only about the technology itself but also about the require-There was a nasty incident last year when Japanese steel companies were reluctant to transfer their latest blast furnace technology to a Korean company on the grounds that the Korean company would become too competitive.

However, Government officials believe that was an exception.

believe that was an exception. They claim that Japan is, in principle, dedicated to pursuing technology transfers with both industrialised and developing countries in any area except early to see any impact of the military technology. Govern-ment officials believe that progress is being made rapidly on both fronts.

Ironically, the organisation in the that has been saddled with the task of promoting technology transfers is the Japan External technology guide, which gives Trade Organisation. Jetro is complete data on how to pro-Trade Organisation. Jetro is often cited as one of the main contributors to Japan's embarrestingly successful export covered to date are aluminium
effort. Now, as part of its sashes, pumps, soaps and deterefforts to promote imports, it is
trying to stimulate interest in
technology transfers.

The idea of transferring techting technological transtrying to stimulate interest in
trying to stimulate interest in
technology transfers.

Earlier this year, because of
the increased pressure from developing countries, Jetro set up
nology rather than providing a programme to promote direct

se were nese like very much. Jetro has been stepping up

Jetro has been stepping up its efforts in the past five years in co-operation with Japan's International Co-operation Agency (Jaica). The main programme, begun in 1982, consists of studying technology transfer opportunities in particular countries and then preparing In the first place, the transfers seminars to give to local businesses.

nologies for Malaysia.

ments for selling into the Japa-nese market.

Jetro officials say it is too early to see any impact of the

programme, which runs on a modest 100m annual budget, but

they say it has been welcomed in the countries where it has

Jetro officials sav it is too

programme, which runs on a modest Y100m annual budget,

but they say it has been wel-comed in the countries where

duce a particular range of ba

products. Among the 24 fields

been applied.

sare usually made, or not made, between companies in the pricelle fruit processing technology for the Philippines, weld-

IT HAS all happened so ordinary aid to developing Japanese investment in Asean more aware of the market impliquicity. It seems only a short countries is one that the Japanese were nese like very much.

Jetro will become knowledge have been less willing to sell able about the foreign investment regulations and practices make technology exchanges, and in these countries and so be have been increasingly active in able to advise Japanese comthis field.

Meanwhile, they have only recently begun to establish manufacturing operations abroad. Europeans and Americans have been critical of the Japanese for not actually trans-ferring technology when they move abroad, by, for example, setting up R & D operations in the host countries. However, Jetro officials are confident that

Similarly, Jetro has been promoting joint research projects by setting up seminars and feasibility study missions in Europe, North America and Australia.

One obstacle to Western penetration of Japanese research is the fact that most Japanese the fact that most Japanese researchers are employed by industry, and so their work is not published. Jetro is trying to alleviate this problem by reorientating its 14-year-old monthly magazine. New Technology Japan, towards new high technologies. Previously, it tended to specialise in appropriate rechnologies for developpriate technologies for develop-ing countries.

Jetro has been surveying the attitudes of Japanese companies to technology transfers and believes there is a strong growth trend. For example, a 1985 study of US-Japan industrial co-operation agreements found cases compared with 390 in 1984. Moreover, a majority of In the past, European and 1984. Moreover, a majorny
American companies were often the cases involved joint R and
D and technical exchanges, such

A similar study in Europe found 239 cases between April 1985 and March of this year, of which 193 involved technology market, which was seen as com-plicated and difficult. Also, little interest was shown in

Ian Rodger

#### Techmart doubles in size

IN THE UK, Techmart, at the National Exhibition Centre, Birmingham, from November 11 to 14, is a new technology market place which is similar to established events in the US and elsewhere in Europe.
The show has more

sides often lag. To their dismay, the Japanese, who have bene-fited so much from technology

imports, have acquired a repu-tation for maintaining a very

pating directly in the Japanese

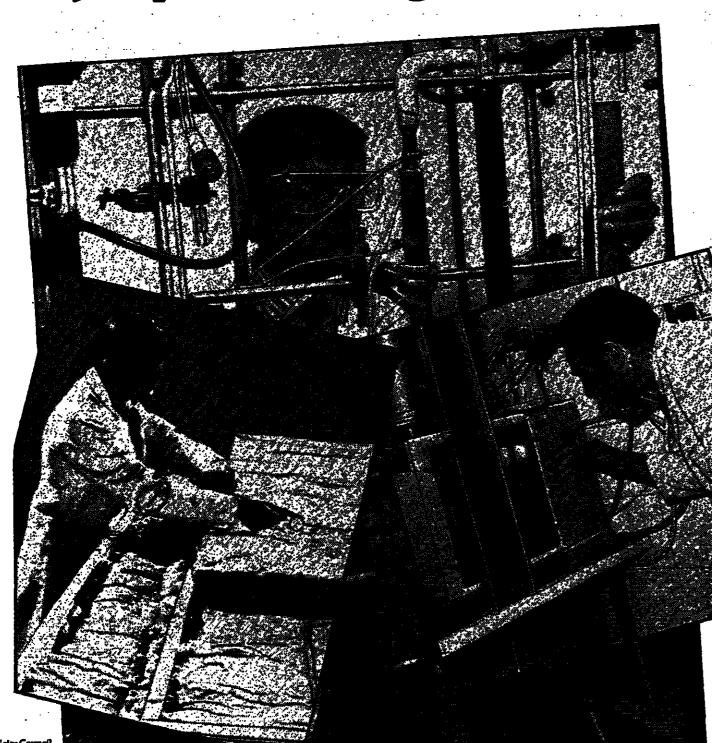
Japanese companies have been

technologies.

doubled in size since it began in 1984 with 300 stands this year extending into the field of joint ventures and acquisi-

Techment the single inventor to large companies. The established events include Techex exhibievenus include reches exhibi-tion in the US, Novatech in Paris, the research and tech-nology section of the Han-nover Fair, the Inventors Fair in Geneva and Flanders Tech-

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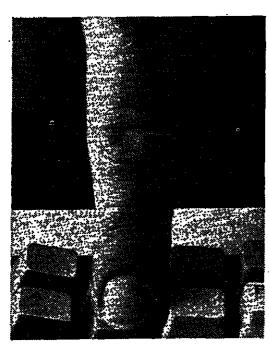
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At root of industry's ability to compete NOWHERE ARE the issues of technology transfer for the medium-sized company better illustrated than in the industrial Similar constraints were identified in a study by the West Midlands Enterprise Board—the body created by the heartland of the West Midlands. former m For all the job losses, closures stimulate former metropolitan county to stimulate growth among medium-sized companies now

and structural unemployment

"For too many people out-

side this region economic decline equals manufacturing which in turn equals the West Midlands," he comments. But

Some 95 per cent of those questioned said technology had

change and innovation is taking place—of the dynamism within local industry," Mr Cran says.

The other revealing element of the survey was the range of sources from which companies took new technology, with \$2 per cent identifying in-house research and development.

Next in importance at 35

one in four companies used higher

the universities and higher education, 16 per cent used

government research establish-ments and a similar number

bought licences.

Economic factors impeding

caused by the traumatic shake- supported by the district counout of recent years, companies are turning to new technology for their future. Important initiatives are being taken by the universities and local authorities to encourage a flow of ideas not manaly between costs and survive, it also places constraints on investment:

authorities to encourage a flow of ideas not menely between academics and industry but from company to company.

Mr James Cran, West Midlands regional director of the Confederation of British Industry, says: "Technology transfer may not be the most instituted in the credit rating to institute the constraints on investment:

"Firms often find themselves operating on a very short-term planning basis and are able to do little more than muddle through." Companies might be constraints on investment: lacking both the will to take the risk and the credit rating to justify financial backing.

transfer may not be the most exciting of topics but we recognise it is at the root of industry's ability to achieve fer may not necessarily be capital industry. industry's ability to achieve fer may not necessarily be capi-competitiveness over the next tal intensive. New products and processes were not necessarily high-tech but might simply involve the commercial applica-tion of well-tried practices. There is widespread support among industrialists for the board's findings that technology

the points to a recent survey conducted by the CBI across the economic region which showed that four our of five companies transfer is impeded by bar-riers to the flow of information. that four our of five companies Many medium-sized com-had introduced new products or panies, lacking in-house research and development, are not able to find the required information. They might have an idea of the technology in their sphere but lack the knowdestroned said technology had had an impact on the products they produced over the previous four to five years. "It might be surprising to outsiders who have read only about our job losses to realise how much change and innovation is taking how to apply it; management skills to deal with such innova-

skills to deal with such innovation might not be on hand.

The CBI, according to Mr
Cran, believes the main requirement is some form of clearinghouse system to put middlested companies in touch with
the appropriate technology.

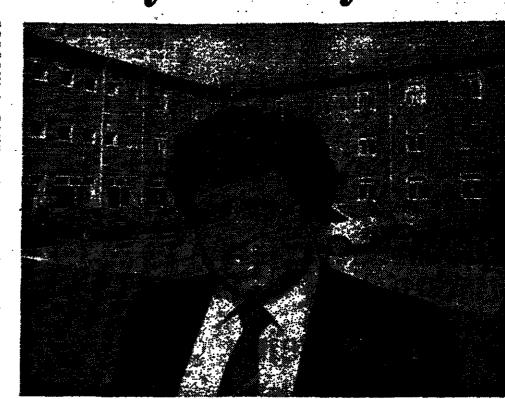
"The innovative drive is there,
but it tends to be a bit hit and
mis with everybody doing it
according to their own style."

To that end the enterprise
board, in partnership with
Aston University, Birmingham,
plans to open later this year a

Next in importance, at 35 per cent, was research taken from the parent company, with outside research organisations and consultants scoring a similar plans to open later this year a technology transfer centre manned initially by a staff of about six people. The board has placed con-tracts with Bath University to

establish a data base of sources for new technology, recognising that it is not just to the academic world that industry should be looking, or even the conventional research organisations and licensing agencies.

The board puts great store on persuading company to the terms. the adaptation of new technology are pin-pointed clearly by the survey as; poor profit return (39 per cent); lack of capital (21); insecurity about long-term demand (33); and company, and not merely on the shortage of skilled staff (22).



Prof. Kumar Bhattacharyya of Warwick University's engineering department. He has attracted more than £16m of finance from industry and research bodies.

aims to tap companies through-out the UK and Europe.

Approaches have been made to large companies to encorauge them to carry out in-house "technology audits" to identify potential products or processes that might be suitable for licensing.

licensing.

The board for the past 12 months has been seeking out companies most likely to benefit from the service it will offer and now has some 400 on its computer database.

computer database.

The target is medium-sized operations employing 50 or more people. This is seen as the sector which has most often falled to adapt to new technologies. The new or small because of the computer of the co companies do not normally have the track record or turnover to

the track record or turnover to attract licences.

The West Midlands Enterprise Board's proposed centre provides a good example of the initiatives taking place in several parts of the country. The board said it looked at similar schemes already operated by the Soottish Development Agency and Newcastle University.

astle University. The new centre might have

a West Midlauds focus for its a West Milliands rocus for us clients but the aim is to achieve national repute. Fees will be charged and the aim is to achieve breakeven on the ser-

vice within three years.

The link with Aston
University, which already has a successful science park, is aimed at making the academic resources available to a wider market—the university basety market—the university boasts 350 consultants working in four faculties with £10m-worth of grant-funded research equip-ment in 170 laboratories.

ment in 170 laboratories.

Similarly, Birmingham
University has set up an
institute of research and development to further foster its
joint projects with industry.

More than 7 per cent of its
£67m a year income already
comes from selling research
and high level training to
industry.

Mr Cran of the CBI draws attention to the work of Prof Kumar Bhattacharyya, of the engineering department at Warwick University, which is identified by the government as well-placed to become a national focus for advanced manufacturing technology.

attracted more than £16m of finance from industry and research bodies and established close links with the big names in the engineering industry such as GRN, Austin Rover, Belle Reven I research Spritish Rolls-Royce, Lucas and British Arraspace. Such technology, subject to safeguards of confi-dentiality, is often available for transfer

The latest hardware and The latest hardware and software is provided at the purpose-built computer-aided design and manufacturing centre, complete with £3m-wath of equipment. A £5m-wath of equipment a £5m-wath open this year end provide research and problem-solving teams.

a £1.5m comput fundeð tools by Cincinstii Milacron. The main point of contact with medium-sized companies is through the centre for manufac

accountants Coopers and Lybraud. The size is to focus attention on companies in the traditional manufacturing sec-tors and identify processes and activities that would benefit from new systems, materials or

Prof. Bhattacharyya says his staff of about 160 are con-stantly dealing with companies of all sizes on a research basis seeking to pinpoint the factors that lead to innovation and establish trends which can be applied generally.

But he argues that tech-mology cannot be treated as an independent entity and just lifted off the shelf: "The big problem is one of awareness. The message has to come from the boardroom downwards through all layers of manage mough all layers of management that the enabling technologies may be available but they have to be applied as part of an integrated strategy."

Prof. Bhattacharyya runs courses and seminars for senior executives which involve brain-

storming sessions to stimulate different patterns of thinking. But for each company a "tec nology audit" is conducted:

"Introducing technology does not necessarily mean investment in expensive computers and robotics. The problem could simply be one of oragnisa-tion, of the wrong marketing trategy or the wrong mix of products. Management too often becomes divided into separate portfolios; we have to examine the corporate strategy as a whole."

The emphasis, he says, is put on using the technologies that are already known and under-stood—"though near to the leading edge"—so that changes are capable of prompt imple-

The real strength of his unit in linking the academic world with industry, he argues, is that there is a constant flux of new research and applications flow-ing through the department. "Companies whatever their size know that we are finding the practical solutions to tech-

Arthur Smith

# Turning brainpower into profits

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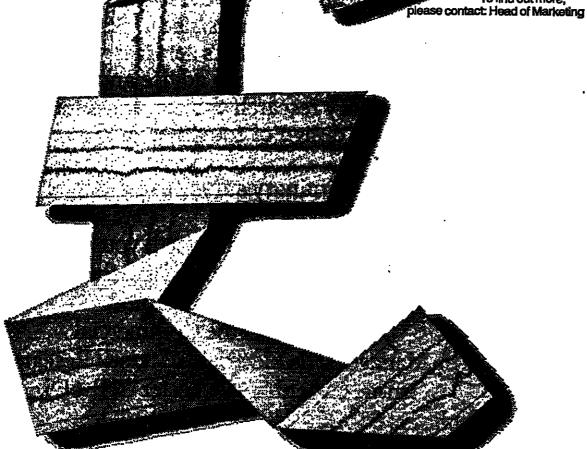
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British Technology Group also finances innovation in

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Sharing the costs and risks of innovative projects in return for an agreed share in any resulting income. Providing, often in association with other venture capital sources, equity finance to establish new technology companies.

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# Conundrum of using wealth of resources

Large companies

ALLIED-SIGNAL CORP, the diversified American company formed last year in the merger of Allied Corp and the Signal sible applications for Metglas, companies, recently amounced in this state of the leafurness of the formation of a tiny new company: Identotech. The fledgling is a joint venture between Allied and Sensor-matic, a maker of anti-theft devices.

The union may seem an odd one. But to Allied it represents an important migration into the an important migration into the markstplace of a technology which originated in its labora-tories, but for which it had no direct use among its existing business lines, according to the

company.

To Allied, the Indentotech deal is a case of successful technology transfer—a phenomenating a growing menon attracting a growing amount of attention at large companies worldwide.

Large companies are grappl-

ing with a community collec-tively they possess a vast wealth of technological re-sources and research capabisources and research capanity. But, because they are large and usually bogged down with long - established internal bureaucracies, they may lack the entrepreneurial spirit that characterises small, young companies — particularly those driven by new technologies — and makes it possible for them to convert raw technology into

commercial products. Big companies are looking for ways to emulate that spirit, or to tap into it through deals with small companies that allow technological or product-oriented lissions without entrepreneurial

The history of Allied's Identotech deal illustrates some of these points, although the outcome is uncertain. In 1971, researchers at Allied had developed a new type of metal, a thin, lightweight material with a non-crystalline structure that turned out to have superior magnetic qualities. Patents were obtained, but the impressive technology languished, since it did not fit into any established business line in the company, there was no natural "pull" from within

it commercialise it.

If was not until much later that the new material, christened Metgias, emerged. Allied had created a unit called the Allied Technology Co to act at a "greenhouse" for internally-generated but homeless tachnologies. The new

And shere, market-oriented staffers hit upon several possible applications for Metglas, including enti-theft devices—thin strips of the electromagnetial strips of the electromagnetic strips of the electromagnetial strips of the electromagnetic stri

The "greenhouse" mechanism clearly helped focus attention on the technology's potential and how Allied might capitalise on it. But that does not, of course, guarantee success; Mr Ascolese would not comment on the technology's profitability to date. profitability to date.

Indeed, experts on the subject point out that one of the chief difficience associated with growing new technologies into commercial products is knowing when to give up and admit failure.

The rate of failure is high indeed, in a 1982 report, the management consulting firm Boox Allen & Hamilton estimated that out of every eight serious new-product ideas only one survives to become a com-

one survives to become a com-mercial success.

Recently, considerable eitention has been given to the concept of a "product champion," a person so committed to a product idea that he or to a promet total that he or she is wilking to work over-time, take unusual cisks and stick with something until it finally succeeds. Companies have been encouraged to create mechanisms that will allow such individuals to surface and have a chance to follow up on their convictions.

But other experts argue that such erratic individual activity cannot be relied upon to generate a consistent supply of innovative products. Mr Richard Foster, director of the US management consult-

or the US management consus-ing fam McKinsey & Co, argues in his book Innovation: the Attaker's Advantage that the process of identifying pro-mising new technology and transfering it to the market can be systematically predicted and managed. "We began to see not only

patterns of success and failure but the principles that caused events to unfold as they did,"

A separate but related issue which is receiving a growing amount of attention concerns the challenge large companies face in transferring technology internationally, notes John Haus, president of the London-based European operations of US management consultants Roog Allen & Hamilton London-based European operations of US management consultants Booz Allen & Hamilton.

The Japanese are an example, he says. Despite their stunning successes in a number of markets, "the Japanese in certain areas are having a great deal of difficulty transferring technology." For example, "to the US in telecommunications." One problem he sees the Japanese having in the US, for instance, is in marketing switches (which route telephone calls) that come with farless software documentation than do competing systems.

In Japan, he suggests, since there is less job turnover, a user is quite likely to be able to go back to the same software engineer who designed the switch if any problems or questions arise but in the US the same engineer would quite likely have moved on to another position—so buyers want full documentation on how to handle the product themselves.

documentation on how to handle the product themselves.

He also sees language and cultural barriers, including a very different approach to decision-making.
Whatever their manifestation. the difficulties of transerring technology from deep inside a

technology from deep inside a company to commercial success in the market are riveting the attention of large companies perhaps more than before.

According to Mr Stanley Pratt, chairmen of Venture Economics, a US consultancy that tracks this phenomenon and venture capital: One of the most exciting things today is that large companies are beginning to learn if we really want to transfer our technology to the marketplace, we had better understand what the new market opportunities are."

market opportunities are." Jane Rippeteau

THERE ARE NO **IVORY TOWERS AT BIRMINGHAM** UNIVERSITY

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At Birminghum University we tuly understand the commercial realism of industry. Our scientists, task wide superience in successful collaboration with

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Making printed circuit boards for the microphone in a telephone receiver. University and polytechnic departments are becoming increasingly involved with industry as microchip technology advances

Mechanisms

# **Emphasis on information flow**

offered licensing agreements covering 4,700 technologies.

Among the participants in Orlando were such household

available to industry to bring about the transfer of technology apout the transfer of technology appears to increase almost by the month. Most of these methods boil down to techniques to increase the flow of information about new technologies that may improve a company's economic perform-

It is worth remembering that most of these mechanisms are extremely simple. They involve nothing more than the flow of people. "The best form of tech-

often or simply exchanging ideas more regularly with people either from different departments of their own companies or who are employed by other organisations.

This trend has come about through a variety of factors, including the growth of small technology-based businesses scarted either by people leaving academic institutes or large companies. Businesses and universities have also increased their interaction as more commencial organisations realise the mercial organisations realise the mercial organisations realise the same publicly funded, which can put these concerns in touch with the proponents of new with the proponents of new interaction as more companies to seek financial help from outside value to new products and pro-cesses of scientific research. Individual companies (which ean include competitors) are more used to talking to each other as a result of big research

#### The transfer of people nd ideas is the best means of putting technology to use

projects such as the pan-European Eureka programme, which is bringing together the technical efforts of 18 nations, or industry-wide projects organised in the US by bodies such as the Microelectronics and Computer Technology Corporation and the Semiconductor Research Association.

The latter are electronics industry groups formed to tackle a range of research projects in the belief that the scale of the technical programmes, in areas such as the comperities of the programmes, in areas such as the compensation of Britain.

Mintech is one of a number of technology transfer bodies that have sprung up all over the industrialised world. With a modest budget of film a year, provided by the taxpayer, Wintech's brief is to raise the technological standards of companies in Wales.

The hope is that by this means the competitiveness of companies will improve, safeguarding employment and bringing wealth to this region of Britain.

Wintech is one of a number of technology transfer bodies that have sprung up all over the industrialised world. With a modest budget of film a year, provided by the taxpayer, Wintech's brief is to raise the technological standards of companies in Wales.

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tackle a range of research projects in the belief that the scale of the technical programmes, in areas such as artificial intelligence or new chip-making techniques, is too big for single companies to tackle on their own.

The US has seen several new research centres set up jointly by universities and companies. These include the Microelectronics and Information Sciences Center at the University of Minnesotz, the Rensselaer Polytechnic Institute Center for Industrial Innovation in New York and the Stanford University Centre for Integrated Systems.

Companies involved in these initiatives include Hewlett-Packard, TRW, Xerox, General Electric, National Semicon-

Integrated Systems.

Companies involved in these initiatives include Hewlett-Packard, TRW, Kerox, General Electric, National Semicon-

into dozens of different units.

A hig headache for these companies is often to improve the flow of communications in the group. According to Mr Derek Roberts, joint deputy managing director of GEC.

Britain's biggest electronics and electrical company, with more than 100 operating divisions, different units of his company

own independence.

To break down this reluctions based in Florida. The most ance, in the past three years recent such gathering, held in GEC has made concerted efforts Orlando in May, attracted compounds to panies from 26 countries and

talk to each other.

The ideas include regular meetings on subjects such as factory automation at which the individual divisions discuss heir own approach, a series of intra-company newsletters and distribution of short videos de-signed to give employees a taste of research programmes going on in other parts of the

people. "The best form of technology transfer is people transfer" is a much-quoted adage in high-tech industry.

There is every sign that "people transfer" in the high-tech community is increasing. The men and women involved are either swapping jobs more often or simply exchanging. military divisions in other units that sells goods commercially.

Many smaller companies, which find it unnecessary to set up such formal procedures for internal communication.

rely more on ideas coming in from outside. They may find help from a range of agencies, some publicly funded, which can put these concerns in touch with the proposents of reserve pace for companies to seek mi-ancial help from outside agencies, but no one bothered too much about advice on tech-nology," observes Mr Ron Love-land, director of Wintech, the technology arm of the Welsh Development Agency ent Agency.

This is changing as the pace aspect right first time when they develop new products and processes."

Mintech is one of a number of technology transfer bodies

inventions by taking out patents on behalf of individual in-ventors and defending them through litigation.

initiatives include HewlettPackard, TRW, Kerox, General
Electric, National Semiconductor, Control Data and SM.

Illustrations of this coming
together of people from industry and academic institutes can
be easily seen statistically. In
the US, for example, between
1960 and 1983 industry's annual
expenditure (in constant
dollars) on R and D in iniversities and colleges rose three
times, to \$370m.

In 1973, only 13 per cent of
all research papers written by
US industry scietnists and
engineers referred to the participation of university researchers; in 1982 the figures
was 24 per cent.

The change was most marked
in biology, up from 19 to 46 per
cent. In engineering, the comparable figures were 9 per cent
and 17 per cent, Clinical
medicine saw an increase from
21 to 34 per cent,
Many companies in the industrialised world have also set up
their own internal procedures
to improve the flow of ideas.
That applies especially to large
companies, which can be split
into dozens of different units.

A hig headache for these
companies is often to improve
trade in the world in protecting
inventions by taking out patents
on behalf of individual inventors and defending them
through litigation.

According to Dr Raymond
Cass, secretary of the UK
Licensing Executives Society,
use of licensing by companies
is increasing. "Buying in technelogy can often be a more
certain route towards a particular business goal than doing the
research and development yourself. Licensing becomes
contain route towards a particular business goal than doing the
research and development yourself. Licensing in but by selling
the towards a particular business goal than doing the
research and development yourself. Licensing becomes
towards a particular business goal than doing the
research and development yourself. Licensing in the towards a particular business goal than doing the
research and gevelopment yourself. Licensing in the towards a particuler in the world in protections by taking out patents
According to

different units of his company terest others in new ideas at have sometimes been reluctant their disposal. Probably the to work alongside others out of best known are the fairs organisplaced zeal to protect their nised by Dr Dvorkovitz and

phenomena of the 1980s and technology has become one of

dictated the involvement of a brief to provide venture capitalists with technology transfer. Once technology ventures have been nursed through the research and development stage the financial institutions which backed them in the beginning are easer to

Products, ICI, Westinghouse, Quaker Oats, Sumitomo, 3M,

Colgate Palmolive Baxter Travenol, Shell, Yamaha, Kawa-

saki, Mobil, Hoffman LaRoche, Fairchild and Combustion Eng-

Peter Marsh

Venture capital

# Fertile area for investment

VENTURE CAPITAL has emerged as one of the financial the most fertile areas of venture capital. Increasingly, venture capitalists are turning to technology transfer as a means of realising their investment.

the Pru's involvement with technological development at technology and then lice its earliest stages. A few months to companies C and D. ago Prutec became part of Thus the Pru acts as bo Prudential Venture Managers, investor supporting the or the venture capital arm of its investment division, Prudential Portfolio Managers.

"Prutec was a direct As Prutec developed it response to the Wilson Committee report which criticised projects it was funding were British inancial institutions for much more difficult to market, their failure to become involved whether through technology their failure to become involved in the development of British industry," says Mr Michael Russell, a venture capital executive of Prutec,

institutions which backed them in the beginning are eager to find a way of marketing the technology they have developed. Technology transfer is an obvious solution.

The Prudential Corporation, the largest insurance house in the UK and the largest single investor in the London stock parket, has been involved in technology transfer in the largest single investor in the London stock ported by the Pru's venture captal or investment activatives. investor in the London stock market, has been involved in technology transfer in the 1980s. But as the Pru's experience indicates, technology transfer in the UK is still in its nascence.

In 1981 the Pru formed Prutec which was to act as a venture concern spearheading of company A which contracts the Pru's involvement with technological development at the companies C and D.

Thus the Pru acts as both the investor supporting the original research work and as the intermediary negotiating the licens-ing deal.

transfer or any other meth than it had expected.

"One problem was that we were becoming involved with research at such an early stage that the researchers would begin with one objective and, as the work developed, would realise that it was moving off in a completely different direction," says Mr Russell.

"But the chief problem was that British companies are just

"But the chief problem was that British companies are just not amenable to the idea of bringing in technology from outside. Technology transfers may be a well-established system in the US and Japan, but in the UK we came up time and time again against the NIH syndrome. And NIH stands for 'not invented here'."

Only way for Prutee to coun-Only way for Prutec to counter this was to look overseas for partners in technology transfer ventures. Initially it had planned to license British technology to British companies, but the low level of interest prompted it to scout about further afield, it is now sponsoring work in Switzerland, at the Batelle Institute in Geneva, for example, although it is licensing that work in Britain.

Another way of overcoming for it. There is definitely a place for it. Three is definitely a place for it. Another way of overcoming the problem was to redirect Prutec's activity towards direct

investment in venture capital, by providing funds for young technology companies. This began in 1982, initially absorb-ing 50 per cent of capital; it now accounts for 90 per cent.

The remaining 10 per cent is committed to technology transfer. In the last five years Prutec has been involved in the funding of 38 research projects. These include a low-cost modular robot: a biotechnological lar robot; a hiotechnological device for detecting ovulation in humans and livestock; an electronic piano; a baby bottle sterilisation unit; a device for helping consumers to put together self-assembly furni-ture.

Roughly half of these 36 projects have been successful and Prutec has been able to secure licences for five or six pro-

committed to technology transfer. There is definitely a place for it. Mr Russell says. "Investing in R&D projects is invaluable to us: it not only gives us

Alice Rawsthorn



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# **EXPORTERS.**

# Pitfalls obstruct inventors progress

an innovative idea can be an protection as possible expensive process and is no Anyone protecting

of financial reward to whatever homework before seeking pro-the originator can earn out of fessional advice. making and selling a product or service since no third party will pay royalties on an un-protected invention.

a public place in front or winnesses ready to declare what
they have seen. This will
usually invalidate subsequent
usually invalidate subsequent
comple of hundred pounds. A they have seen. This will the Government Patent Office, stages.

usually invalidate subsequent applications for protection.

Alternatively, the originator can keep the idea secret for as long as possible. Inevitably this

cannot be patented and patents are by no means the only kind product goes on sale its secret of protection available for what is there for all to see. the law calls intellectual. The safest, but most expen-property and innovation. Also, sive course of action is to file to win patent protection for for as many different kinds of

Anyone protecting intellec-The simplest and cheapest course of action, if someons all legal advice, this is expensive, but doing without it can be disastrous.

It pays, however to a little of the chance of financial reward to whatever.

In loose terms, a patent covers any idea which can be applied to industry; for instance, a process for making protected invention.

There is also a hidden pitfall. Something, a process for making tive—is unlikely to be register—something, a process for making tive—is unlikely to be register—the fact of the cogs has been chosen be new and not an obvious extension of what is already then the design can probably be the idea, either by writing about it or demonstrating it in a public place on front of witnesses ready to declare what in force.

Samce, a process for making tive—is unlikely to be register—to the fact of the cogs has been chosen simply because it looks good, then the design can probably be to the registering of a trade wark protects a name for any goods (and now service). There is no limit on the potential life in the design protection and obstruct the true be new and not an obvious extension of what is already then the design can probably be to 20 years, but heavy annual registered design protection.

Registered design protection on himserials to come himserials to the registering of a trade wark protects a name for any goods (and now service). There is on limit on the potential life in the design can probably be to 20 years, but heavy annual to 20 years, but heavy annual registered design protection on the protection of the cogs has been chosen.

Registered by the fact of the cogs has been chosen.

The registering of a trade wark protects a name for any goods (and now service). There is unlikely to be register—is unlikely to be register.

higher fees in foreign countries and annual renewals on top. A registered design covers vation. If and when this ornamental innovation. There becomes law, perhaps in the

"THAT'S A good idea; you is risky, because a third party should patent it." This familiar may quite independently make helps answer the almost inevit-verbal shorthand, but it is just the same invention and file a ble objections which are raised anomalously, can last for 50 mark agent, whatever protection—blocking the originator's business.

To secure a British patent artist's life.

In April the Government published and patent artist's life.

In April the Government published are artist's life. lished its White Paper on Intellectual Property and Impo-

> To protect intellectual property can be a difficult and expensive process, with no guarantee of commercial reward for

> > an innovative idea.

is a fine borderline between next session of Parliament, the what is registerable and what situation will be rationalised; is not. If a gear wheel needs design registration will be infancy cogs to make it work, their design — however attractive— is unlikely to be registerated to years' free protection on the protection of the fancy shape.

renewal fees must be paid to Registered design protection provided renewal fees are paid. keep it in force. lasts up to 15 years with The first trademark, Bass for Applications are handled by renewals payable in five-year Beer, was filed more than 100 the Government Patent Office, stages.

strong.
Trademarks can be very valuable. If a customer asks for Bass by name, the pub camot legally serve something similar

Anyone can set up as a trade- comment, about two dozen firms mark agent, whatever their level of competence. But qualified agents have an internal brokers" adding that "there listing scheme. Best bet for

Panther House, 38 Mount up in business."
Pleasant, London WCIX OAP. Some of these

The British Patent Office.
now at State House, 66-71 High
Holborn, London WC1R 4TP,
publishes free booklets with
general advice. So does the

Most patent agents regard their job as finished with the securing and maintaining of patent protection, which leaves the inventor on his or her own. a result there has been a inventors sell their ideas.

Some of these agencies undoubtedly do a good job, others are little more than sharks. Recently the Chartered Instiinquiry into patents, the insti-tute offered valuable advice on

which the institute says "might be described as exploitation does not appear to be anything anyone seeking trademark ad-vice is to contact the Institute selves "exploitation broker" or of Trademark Agents, Suite 3/5, some cognate term and setting

Some of these firms are based A list of qualified patent agents is held by the Chartered Institute of Patent Agents, threat to the unwary since they Staple Ion Buildings, London WCIV 7PZ.

Some of these firms are based in America and these, the Institute says, pose a particular threat to the unwary since they do not draw attention to the fact that there is a straightforward but vital difference be-tween North American patent practice and that which operates in the rest of the world.

In North America it is usually safe to file a patent application after the inventor has told people about the idea and even sold some products. European law, and most other patent systems around the world, require "absolute hovelty." mushrooming growth in organisations which claim to help disclosing anything to the public

In practice, often the best thing an inventor can do is to file a paten application through Recently the Chartered Insti-tute of Patent Agents stuck its neck out a little. In response to the Office of Fair Trading's be interested in mass-producing and selling it.

Barry Fox

Specialist consultants

# A queue of advisers stands ready

Should you license it to an outsider who is already in the tanget market? Should you enter the market yourself, setting up the necessary manufacturing and market was readed.

st market is?

These are the sorts of puestions that John Ormerod is questions that John Ormerod is in the business of helping com-panies solve. He is partner in charge of a 100-person London group of the accounting firm Arthur Andersen & Co. called the Growing Business Unit. Although the company's work

Although the company's work

He says that the concerns he alls primarily into the supply helps companies deal with fall into four general categories: evaluating new technologies that threaten an established through."

Tesults."

When I look at our business level now companed to a year ago, there is a long amount more going that threaten an established of accounting, auditing and tax advisory services, Arthur

SAY YOU have an exciting new ties of transferring technology with promising out of the laboratory and into and development more productive by for instance, establishment way within your company to develop it. What do you do?

Should you license it to an image up venture capital fund-

outsider who is already in the tanget market? Should you "There is an understanding enter the market yourself, setting up the necessary manufacturing and marketing needed to support it? Or should you seek a joint venture arrangement with another company for manufacturing and distribution?

Should you set up an overself set of thing about this need," says Mr technology driven small growth the ajoint venture arrangement with another company for manufacturing and distribution?

Should you set up an overself set of which specialist in new product offer the promise of a big payment with another company for management for McKinsey & the early difficulties of too little money, often poor management sets of specialist in new product offer the promise of a big payment for McKinsey & the early difficulties of too little money, often poor management indequate marketing and inadequate marketing and marketing an

Mr Krubasic believes companies are becoming more confident and more willing to believe that they cannot leave impossion to "hapharard incidents" of genius, and that they can "manage the transference mational, an acronym for busican "manage the transference national, an acronym for busi-of technology into market ness applications of science and

Andersen is one among a manher of accounting firms that one business; finding ways to have branched out into helping use known technology to companies actually plan growth develop new business areas strategies.

They join a growing number of consultancies either setting up specifically for, or shifting toward, the demand for advice on growth, managing entry into new markets and other difficul-

While Mr Krubasik's work

Software

Challenge of the Fifth Generation

lem," Mr Lunch syss. "The difficulty is commercializing. developing, funding." The pro-ces typically involves strengen-ing management and marketing capability. "The techology may be strong, but there never is enough thinking about market-place benefits," he saids.

The cost of such services varies with the consultancy. BASE charges a fee, usually around 5 per cent of the value of the deal. Mr Lunch says this amount is often paid for by the investor. Most of the BASE £200.000. he says.

In the past 18 months his three-year-old company has handled eight deals, and another half doen are in progress, Mr Lamch says, Most take three to four months to develop, but one of the latest — involving £800,000 in funding for a process control start-up company called PACS in Southampton was snapped together in just six weeks, he adds.

internally the innovative pheno-menon that occurs in small companies. SRI also has advised on how special comper packages can be used to create incentive for people spun out of their regular jobs to pursus a potentially viable new product

able employee to stay with a large company rather than leave to form a venture capital backed, start-up that holds ou backed; start-up that holds out the promise of big earnings at the product is a success.

A number of consultancies offer more external services arting much like brokers among companies which can benefit from one another. PAX Technon one another. PAX Technology Transfer, for instance, helps companies identify opportunities and business stales. tenties and business linkage, as well as assisting in structur-ing the commercial relation-ship, according to the firm's

Access to firms advising on



Anthony Lunch: demand is growing

through the Institute of Inter-national Licensing Practitioners

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Jane Rippeteau

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OFFICES THROUGHOUT EUROPE AND U.S.A. 164 Mason Street, Greenwich, CT. 06830 USA Tel: (203) 661-3338 Telex: 5106004390 STKMN SUFTWARE development is a very research-intensive activity.

Software is often written with the aim of finding a solution to a particular problem for a particular end user.

Though the extra effort required may only be marginal, it is one of the sime of the

Though the extra effort required may only be marginal, it is not unusual for timescales it is not unusual for unuscased not to allow this software to be made more widely applicable to similar generic problems; or in other words, for the software to be adapted as a "package for sale to third parties .

However, there is an in-creasing awareness of the commercial potential to be gained from the wealth of software locked away for internal use only in academia and in research establishments in defence and government

A number of organisations and commercial enterprises have been set up to tap this potential. One of the most ambitious technology transfer programmes in the UK is the Alvey Project.
The Alvey Report's principal

recommendation was that the UK should spend £350m over five years to develop a "Fifth Generation" computer and associated software in response Japan's Fifth Generation Computer Project.

This supplements the EECs tal research towards short-tenm applied research, leading to an gramme for Research on Information Technology (Esprit). Britain and its international gramme for Research on In-formation Technology (Esprit). The numerous individual components and technologies which make up the Fifth Generation Computer already exist on their own. They include research into technologies such as artificial intelligence, expert systems, robotics, machine vision, very large scale integration (VLCI) electronic circuitry, and so on. Some of these technologies are only just beginning to trickle through from the laboratories into industry. The real challenge is to create the synergy implicit in the Fifth Generation Computer by comfirming them, to the extent that

Another forum for such dis-cussions is SD-Insight, a study group focusing on artificial intelligence established in the

private sector and sponsored by Systems Designers, a leading UK software house. SD-Insight has an inter-national membership, currently including 25 corporate members and almost 20 advisory mem-bers. It organises workshops,

study visits, consultancy studies and co-operative projects and conferences throughout the transfer in the UR was very much an issue at last month's SD-Insight's sunual

Lecture, delivered by Dr Alan Bundy, Reader in Artificial Intelligence at Edinburgh University, Dr Bundy contended that the balance of public funding has moved too far from fundamen-

"Although one finds some commercial products emerging from academia and some basic research done in industry, the normal pattern is of academics

doing basic research and industry applying it," he claimed. "There are obviously good reasons for this division of labour. Industry will only survive if it makes profit. Basic research tends not to yield an

immediate profit." Dr Bundy argues that a close technical relationship requires software will be indistinguish- ship. One cannot easily hold but perhaps the formula was

the Alvey Directorate in addition to its primary responsibility for distributing money to help bring this short Project is that it tends to benefit only large companies such as GEC, Plessey and Ferranti — those with the time and resources to do the paper-

> The Software Products Scheme, founded in 1974 and administered by the National Computing Centre, aimed to give smaller companies a chance and included funding for the marketing of software products. About £10m had been allo-cated under the scheme until mid-1982, when funding was increased but then brought to an

abrupt halt. From mid-1982 to November 1983, £37m was allocated, followed by a moratorium which was not to be lifted until March 1985 when the scheme was reintroduced at a much reduced level of activity.

nology transfer projects such as ExportIT and Transpotech have not survived despite a high level of enthusiasm initially. Transpotech was formally incorporated as a company by the British Technology Group

in 1983 to market the accumulated expertise and software of the Department of Transport (DTp) and of the Transport and Road Research Laboratory (TRRL).

puting and transport con- seminars and conferences sultant who was involved in the receive its quarterly newsletter

"It freed civil servants from the responsibilities of servicing overseas customers for software answers developed in the UK. The under Transpotech experience can be ments. looked upon as a useful lesson,

One of these companies, MVA

Systematica, is a leading supplier of transport planning software.
Last year, it was awarded exclusive worldwide marketing

rights for four DTp software products—Transyt, providing calculation facilities for setting and phasing traffic signals; Contram, for traffic planning; and Arcady and Picardy, for analysing traffic capacities and delays at road intersections. "Since then, there has been a steady and of inquiries from

all over me world," says Mr Hugh Neffendorf, managing director of MVA Systematica. Defence also appears to be a lucrative source of software for commercial use.

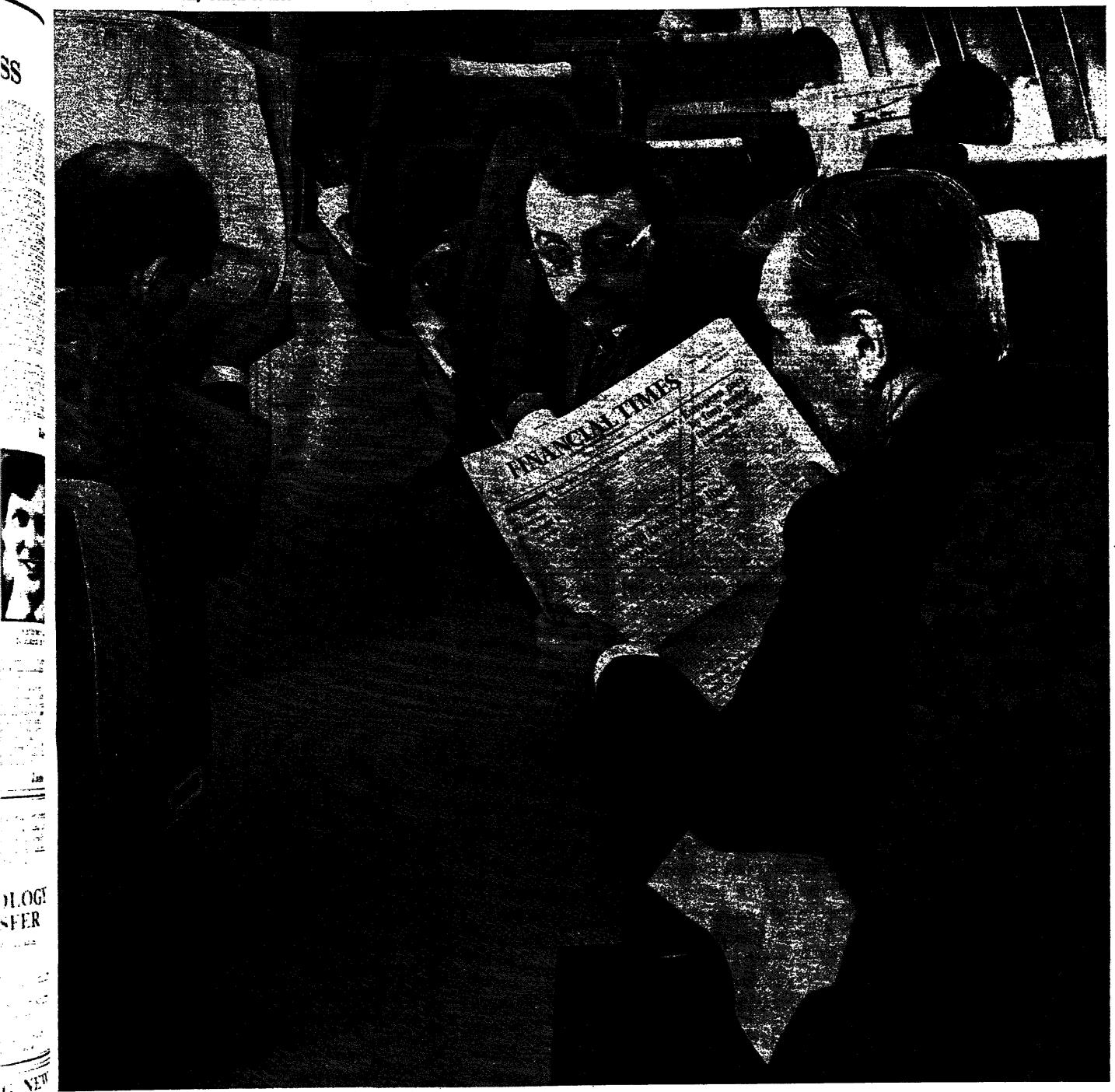
Defence Technology Enter-

prises (DTE), a company set up towards the end of 1985, was formed specifically to transfer technology, both hardware and software, from Ministry of Other governmental tech-Defence research establishments to industry for civil applica-The company is the result of a joint initiative between the

MoD and a consortium of wellestablished companies. DTE enjoys the unique advantage of being allowed freedom of movement and access to scientists and engineers within a number of MoD research establishments "Software marketing was one of the more successful elements of Transpotech," says Ian Catling, an independent comfor which they may attend DTE Any business may become an and employ DTE staff at MoD establishments to search for specific technologies or seek to technical problems

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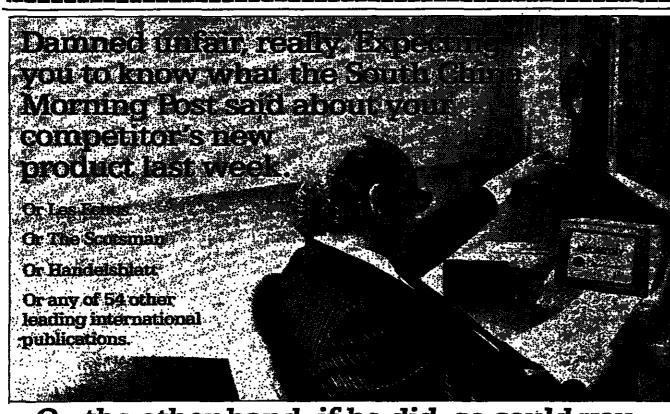
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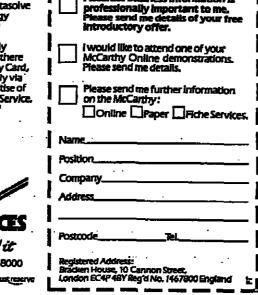
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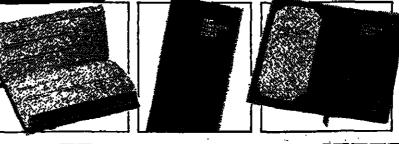
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